

## BUSINESS MEETING

BEFORE THE

CALIFORNIA ENERGY COMMISSION

In the Matter of: )  
 )  
Business Meeting )  
\_\_\_\_\_ )

CALIFORNIA ENERGY COMMISSION  
HEARING ROOM A, 1516 NINTH STREET  
SACRAMENTO, CALIFORNIA

TUESDAY, FEBRUARY 18, 2014  
10:00 A.M.

Reported by:  
Kent Odell

Commissioners Present

Robert B. Weisenmiller, Chair  
Karen Douglas  
Andrew McAllister  
David Hochschild  
Janea Scott

Staff Present:

Rob Oglesby, Executive Director  
Michael Levy, Staff Counsel  
Jared Babula, Staff Counsel  
Kevin Bell, Senior Staff Counsel  
Alana Mathews, Public Advisor  
Nancy Fletcher

	<u>Item No.</u>
Keith Winstead	3
Joseph Douglas	4
Paul Kramer	5
Martha Brook	6
Harinder Singh	7
Matt Fung	8
Simone Brant	9
Marla Mueller	10

Others Present (\* Via WebEx/Phone)

Jeffrey D. Harris  
Stephen O'Kane, AES Southland Development, LLC  
Julie Gill, AES Southland Development, LLC  
Jerry Salimi, Ch2M HILL  
Kristin Castaños, Counsel for Bottle Rock  
Brian Harms, Bottle Rock Power  
\*Donald B. Mooney, on behalf of Complainant, David Coleman  
Eddie Moreno, Sierra Club California  
Tom Karow, President, HPBA Pacific  
Mike Hodgson, President, Consol, representing HPBA Pacific  
Gary Fernstrom, representing California Investor  
Owned Utilities  
David Meadows, Stulz Air Technology Systems  
Therese Pfeffer, CIEE  
Bonnie Soriano, California Air Resources Board

# I N D E X

	Page
Proceedings	6
Items	
1. CONSENT CALENDAR.	6
a. UNIVERSITY OF CALIFORNIA, BERKELEY.	
b. BEVILACQUA-KNIGHT, INC.	
c. CALIFORNIA ENERGY DEMAND 2014-2024 FINAL FORECAST.	
2. ENERGY COMMISSION COMMITTEE APPOINTMENTS.	Held
3. ALAMITOS ENERGY CENTER (13-AFC-01).	7
a. Commission consideration of the Executive Director's data adequacy recommendation for the Alamitos Energy Center (AEC).	
b. Possible appointment of a siting committee for the Alamitos Energy Center.	
4. MALBURG GENERATION STATION PROJECT (01-AFC-25C).	13
5. COMPLAINT AGAINST BOTTLE ROCK GEOTHERMAL POWER PLANT (12-CAI-04).	19, 76
6. ENERGYPRO VERSION 6.1 RESIDENTIAL COMPLIANCE SOFTWARE.	39
7. APPLIANCE EFFICIENCY REGULATIONS (Docket 13-AAER-1).	43
8. THE REGENTS OF THE UNIVERSITY OF CALIFORNIA, CIEE.	62
a. Distribution Grid Research Area	
i) Regents of the University of California on behalf of the Los Angeles Campus, Control of Networked Electric Vehicles to Enable a Smart Grid with Renewable Resources, \$400,000.	

# I N D E X

Items		Page
b.	Smart Home Research Area	
i)	Regents of the University of California on behalf of the Irvine Campus, Smart Power for the Smart Home.	
ii)	California State University, San Diego, Enabling Real-Time Residential Pricing with Closed Loop Customer Feedback, \$199,932.	
9.	THE REGENTS OF THE UNIVERSITY OF CALIFORNIA, DAVIS.	67
10.	CALIFORNIA AIR RESOURCES BOARD.	70
11.	Minutes:	
a.	Possible approval of the January 15, 2014, Business Meeting Minutes.	79
b.	Possible approval of the January 17, 2014, Offsite Meeting Minutes.	79
12.	Lead Commissioner or Presiding Member Reports.	80
13.	Chief Counsel's Report:	92
a.	<i>In the Matter of U.S. Department of Energy (High Level Waste Repository), (Atomic Safety Licensing Board, CAB-04, 63-001-HLW).</i>	
b.	<i>Rick Tyler, et al v. Governor of California, Edmund G. Brown, Jr., et al. (Alameda County Superior Court, RG12619687).</i>	
c.	<i>Asphalt Roofing Manufacturers Association v. California Energy Commission (Sacramento County Superior Court, 34-2012-80001195).</i>	
d.	<i>California Independent System Operator Corporation (Federal Energy Regulatory Commission, Docket</i>	

	Page
13. Chief Counsel's Report: (Continued)	
e. <i>PECG v. Brown, Alameda County Superior Court Case Nos: RG10494800 et al. (Furlough Litigation).</i>	
f. <i>American Public Gas Association v. U.S. Department of Energy, Case No. 11-1485 (9<sup>th</sup> Cir. Dec. 23, 2011).</i>	
g. <i>California State Energy Resources Conservation and Development Commission v. SoloPower, Inc. and SPower, LLC. (Sacramento County Superior Court, Case No. 34-2013-00154569).</i>	
14. Executive Director's Report.	92
15. Public Adviser's Report.	93
16. Public Comment.	94
Adjournment	97
Reporter's Certificate	98
Transcriber's Certificate	99

1

P R O C E E D I N G S

2

FEBRUARY 18, 2014

10:10 a.m.

3

CHAIRMAN WEISENMILLER: Good morning.

4

Let's start the Business Meeting with the Pledge  
5 of Allegiance.

6

(Whereupon, the Pledge of Allegiance was  
7 recited in unison.)

8

CHAIRMAN WEISENMILLER: Good morning.

9

Let's start with the Consent Calendar.

10

Disclosures?

11

COMMISSIONER MCALLISTER: Yes. I will

12

take this opportunity to disclose my wife's

13

affiliation with the University of California,

14

Davis King Hall School of Law. I'm not recusing

15

from any item today, but by way of disclosure,

16

Items 1A on the Consent Calendar, 8A, and 8B, as

17

well as Item 9, do involve the UC system, various

18

campuses, so I wanted to disclose that, but not

19

recuse.

20

COMMISSIONER DOUGLAS: Likewise, I'm

21

going to disclose that I teach a law class at

22

King Hall at UC Davis and so the contracts on

23

Items 1A and number 8 and number 9 on the agenda,

24

I'm also not recusing myself, but I'm disclosing

1 the class I teach with UC Davis at King Hall.

2 COMMISSIONER MCALLISTER: So with that,

3 I'll move Item 1.

4 COMMISSIONER DOUGLAS: Second.

5 CHAIRMAN WEISENMILLER: All those in

6 favor?

7 (Ayes.) Item 1 passes unanimously. Item

8 2 is being held. Let's go to Item 3.

9 Alamitos Energy Center, 13-AFC-01. Keith

10 Winstead, please.

11 MR. WINSTEAD: This is Keith Winstead.

12 I'm the Project Manager for the Alamitos Energy

13 Center. Here with me is Staff Counsel, Steve

14 Adams.

15 The Alamitos Energy Center is a proposed

16 1,936 megawatt natural gas-fired combined cycle

17 air-cooled electrical generating facility that

18 would be constructed in the City of Long Beach on

19 the site of the Alamitos Generating Station.

20 Demolition of the existing facility and

21 construction of the new facility is proposed in

22 phases over nine years from 2016 to 2025. AES

23 Southland Development, LLC filed an Application

24 for Certification with the Commission on December

25 27, 2013. On January 24th, the Executive

1 Director recommended to the Commission that it  
2 find the AFC inadequate in four of 23 technical  
3 areas reviewed by staff. These four areas of  
4 technical inadequacy are: Air Quality, Biological  
5 Resources, Cultural Resources, and Transmission  
6 and System Engineering.

7           Since the Executive Director's  
8 recommendation was filed, AES and staff have  
9 discussed the specific areas where more  
10 information is needed to make the AFC complete.  
11 Applicant has indicated that it is working to  
12 provide the information identified in staff's  
13 Data Adequacy Worksheets as soon as possible.  
14 And we are informed some additional information  
15 was just docketed this morning.

16           Staff recommends that the Commission  
17 adopt the staff's list of deficiencies and not  
18 accept the AFC as completed at this time. Staff  
19 will of course bring this matter back to the  
20 Commission for further action after the  
21 additional information is received from the  
22 Applicant. This concludes my presentation.

23           CHAIRMAN WEISENMILLER: Thank you.  
24 Applicant?

25           MR. HARRIS: Good morning. I'm Jeff

1 Harris on behalf of the Applicant. It's a  
2 pleasure to be here this morning and we hope to  
3 see you again in about four weeks.

4 I'd like to introduce Stephen O'Kane, who  
5 is the Vice President for AES Southland  
6 Development, to say just a couple words about the  
7 project.

8 MR. O'KANE: Thanks, Jeff. With me here  
9 today, with AES, is also Julie Gill, she is  
10 Director of our Government Affairs, and our  
11 consultant who helped prepare the AFC, Jerry  
12 Salimi of Ch2M HILL.

13 We're really pleased to be here today.  
14 Here I am for the third time. The Alamitos  
15 Energy Center AFC will be the third AES  
16 Redevelopment and Modernization Project under  
17 review by this agency. And quite arguably, this  
18 is the most important thermal generation project  
19 planned or envisioned for the Los Angeles Basin  
20 Local Reliability Area.

21 The existing AES Alamitos station  
22 currently serves both Los Angeles and Orange  
23 County through separate interconnections and sub-  
24 stations and provides more than 2,000 megawatts  
25 of critically located generation capacity in the

1 most transmission constrained area of California.

2           With the per retirement of San Onofre  
3 Nuclear Generating Station, the California  
4 Independent System Operator has identified the  
5 loss of our Unit No. 5 as the single largest  
6 contingency in the Los Angeles Basin Area. Now,  
7 to put that into layman speak, what that means is  
8 that on those peak days when we have a lot of  
9 demand, and we're on line, if we lose no. 5, most  
10 likely people in Los Angeles and Orange County  
11 are going to go without power.

12           While we are very proud of our record of  
13 maintenance in greater than 97 percent  
14 availability of our 45- to 65-year-old generating  
15 units, the modernization and redevelopment of  
16 Alamitos Generating Station will be a significant  
17 step in ensuring that such a scenario will never  
18 happen to the people of Orange County.

19           The air-cooled combine cycle units which  
20 will replace the existing steam generators will  
21 provide affordable, reliable, and sustainable  
22 power for the region for decades to come.

23           While that's all good and nice to be  
24 said, the very first task we have and milestone  
25 we need to achieve is to become data adequate and

1 have our AFC accepted by this Commission. I  
2 know, and as Keith has mentioned over the past  
3 month, we've been working very closely with staff  
4 and I'm very pleased to say that actually this  
5 morning we were able to docket the last of the  
6 information and the responses to the Data  
7 Adequacy Information Requests. This includes all  
8 information requested by the South Coast Air  
9 Quality Management District, we were able to  
10 provide that information to that agency more than  
11 a week ago, and I'm very confident that I'll be  
12 back here in less than a month when we'll be able  
13 to kick off this project and we'll find out which  
14 one of you gets to be part of the committee to  
15 review this AFC.

16 Furthermore, personally I'd like to say,  
17 just to let you know just how excited I am about  
18 this project, it's rare that a developer comes up  
19 and says, "Hey, this is actually in my  
20 community." My own home is less than a mile from  
21 this facility and I can see the significant  
22 investment that AES is going to have in Long  
23 Beach and the benefits it will have. The scale  
24 of the project will have obvious economic and  
25 social benefits to Long Beach, but the

1 environmental benefits in improving air quality,  
2 the use of water resources, the changes in the  
3 community skyline, community noise levels, will  
4 all be a great benefit for my own neighbors.

5 AES is committed to developing a project  
6 that the City of Long Beach will be proud of and  
7 support the State of California in achieving a  
8 sustainable energy future, and I look forward to  
9 working with the Commission on this project.  
10 Thank you.

11 CHAIRMAN WEISENMILLER: Thank you.

12 COMMISSIONER DOUGLAS: Well, thank you.  
13 It's good to hear from both of you. I was  
14 actually in your neck of the woods over the  
15 weekend because I was visiting some family  
16 actually in L.A., but we went into Orange County  
17 and spent some time around Newport Beach.

18 So with that, I guess I will move to find  
19 the project data inadequate today and we'll look  
20 forward to seeing you when -- in about four  
21 weeks, or whenever you're ready to come back in.

22 COMMISSIONER MCALLISTER: Well, rather  
23 than ask any specific questions about the areas  
24 of inadequacy, I'll rely on staff to sort of keep  
25 me up on what's going on. I think it sounds like

1 you're in very active discussions on the few  
2 areas that are left. So rather than do that  
3 here, I'll sort of rely on staff for a briefing  
4 before the next time this comes before us. So  
5 I'll second.

6 CHAIRMAN WEISENMILLER: All those in  
7 favor?

8 (Ayes.) This item passes unanimously.  
9 Thank you.

10 Let's go on to Item 4, Malburg Generation  
11 Station Project, 01-AFC-25C. Joe Douglas,  
12 please.

13 MR. DOUGLAS: Good morning,  
14 Commissioners. My name is Joseph Douglas. I'm  
15 the Compliance Project Manager for the Malburg  
16 Generating Station Project. With me this morning  
17 is Kevin Bell, Senior Staff Counsel, and  
18 Technical Staff from Air Quality is also  
19 available. Also present are representatives from  
20 Bicent LLC, the owners of the Malburg Generating  
21 Station.

22 Malburg Generating Station is a 134  
23 megawatt project that was certified by the Energy  
24 Commission on May 20, 2003, and began commercial  
25 operation on October 17, 2005. The facility is

1 located in the City of Vernon in Los Angeles  
2 County.

3 On May 15, 2013, Bicent filed a petition  
4 with the California Energy Commission to modify  
5 air quality Conditions of Certification AQ6 and  
6 AQ7, to allow a maximum of two startups and  
7 shutdowns per day of Malburg's two combustion  
8 generating turbines. Bicent also petitions for  
9 an increase in the maximum allowable time from  
10 120 minutes to 150 minutes to accommodate annual  
11 maintenance of the turbines pursuant to South  
12 Coast Air Quality Management District Hearing  
13 Board Requirements.

14 Air Quality staff evaluated air quality  
15 impacts from the modified project and proposes  
16 administrative revisions to several existing Air  
17 Quality Conditions of Certification to assure  
18 compliance with LORS. The proposed changes to  
19 the amendment would not result in any increase in  
20 emissions, physical change to the project, or any  
21 impacts evaluated for an Energy Commission  
22 decision.

23 The Notice of Receipt was mailed to the  
24 Malburg Post-Certification Mail List, docketed  
25 and posted to the Energy Commission website on

1 June 17, 2013. Staff's Analysis of Petition was  
2 docketed, posted to the Web, and mailed to the  
3 Malburg Post-Certification Mail List on December  
4 20, 2013.

5 Energy Commission staff reviewed the  
6 Petition and finds that it complies with the  
7 requirements of Title 20, Section 1769A of the  
8 California Code of Regulations, and recommends  
9 approval of the project modifications and  
10 associated revisions to the Air Quality  
11 Conditions of Certification based upon staff's  
12 findings and subject to the Revised Conditions of  
13 Certification. Thank you.

14 CHAIRMAN WEISENMILLER: Any comment from  
15 the owner? South Coast? No.

16 COMMISSIONER DOUGLAS: I don't think we  
17 have any -- I don't have any questions about  
18 this. I'm familiar with it, I think it's a good  
19 amendment, so at this point I'll move approval of  
20 the amendment.

21 COMMISSIONER SCOTT: Second.

22 COMMISSIONER MCALLISTER: Actually, I  
23 wanted to ask a question. So I guess, you know,  
24 I have some extensive notes on this and I am  
25 generally comfortable with it, and I know there's

1 been a lot of discussion. I do have a technical  
2 question just about the relationship between the  
3 annual maintenance process and the expressed need  
4 for an increase in the average startup from 120  
5 to 150 minutes, sort of how are those two things  
6 related? And I guess maybe it has to do with how  
7 that particular facility does its annual  
8 maintenance. Maybe it's in bits and pieces and  
9 not sort of as a general shutdown, but sort of  
10 how is the average startup time and the annual  
11 maintenance related?

12 MS. FLETCHER: Hi, this is Nancy  
13 Fletcher.

14 CHAIRMAN WEISENMILLER: Hi.

15 MS. FLETCHER: The purpose of this  
16 amendment was not for necessarily the annual  
17 maintenance. The variances that they had  
18 previously requested were one-time maintenance  
19 for requested and also some other things they had  
20 to do for installing a power stabilization system  
21 for it. But part of the reason they wanted to  
22 increase the time, that there is the potential  
23 during the annual maintenance when the equipment  
24 goes down, that when it comes back on line there  
25 could be trips and previously they didn't have a

1 startup defined, whether those trips would be  
2 considered if they tried to start it again, a  
3 second startup, so the confine of just one  
4 startup without an explanation or good definition  
5 of what the startup entailed could have prevented  
6 it from coming back on line that day, and they  
7 would have had to wait until the next day to  
8 restart it.

9 COMMISSIONER MCALLISTER: Okay, so --

10 MS. FLETCHER: So that is just a  
11 potential problem and it didn't have to do with  
12 any other previous variances that they had to get  
13 from the South Coast Air District.

14 COMMISSIONER MCALLISTER: Okay, but I  
15 guess the bottom line, a lot of this is about  
16 efficiency and air quality, so I just wanted to  
17 make sure that we -- I know staff has that in  
18 mind, but sort of on paper increasing the average  
19 startup, and then increasing the number of  
20 startups --

21 MS. FLETCHER: There was no increase,  
22 though, to the emissions for either hourly or for  
23 -- there wasn't any increase in emissions; it was  
24 more of just an operational as explained, you  
25 know, if it starts to startup and then it trips,

1 it may take longer to do the repairs or what is  
2 needed to get it on line, and so they requested  
3 an extension of length, but there is not  
4 necessarily more emissions with that.

5 COMMISSIONER MCALLISTER: Okay, great.  
6 So this is accommodating sort of the reality on  
7 the ground.

8 MS. FLETCHER: Yes, exactly.

9 COMMISSIONER MCALLISTER: And giving them  
10 the wiggle room they need to sort of get the  
11 thing up and running and servicing. Okay, so I'm  
12 comfortable with that, and obviously South Coast  
13 is on board with that discussion?

14 MS. FLETCHER: Yes.

15 COMMISSIONER MCALLISTER: And understands  
16 that there won't be any additional emissions?

17 MS. FLETCHER: Absolutely. With the  
18 South Coast evaluation, however, back in 2008 the  
19 project had come to us for an increase in  
20 emissions at that point, and that was based on  
21 actual operation of the Roseville Energy Center,  
22 how those turbines were actually operating. So  
23 the South Coast at that time did not increase  
24 their emissions in their permits, so the South  
25 Coast evaluation, they had to do an emission

1 increase in order to equate to the emissions that  
2 were in the license.

3 COMMISSIONER MCALLISTER: Okay. I think  
4 that makes sense.

5 MS. FLETCHER: Okay.

6 COMMISSIONER MCALLISTER: All right,  
7 well, it's already been moved and seconded, so  
8 I'll step out.

9 CHAIRMAN WEISENMILLER: Okay, so we have  
10 a pending motion. All in favor?

11 (Ayes.) This item passes unanimously.  
12 Thank you.

13 Let's go on to Item 5. Complaint Against  
14 Bottle Rock Geothermal Power Plant, 12-CAI-04.  
15 Paul Kramer.

16 MR. KRAMER: Good morning. Today's  
17 hearing is to receive party responses and  
18 arguments and public comments, and then consider  
19 action on the request to withdraw the appeal on  
20 the Committee's Decision sustaining the Coleman  
21 compliant and to close the complaint proceeding,  
22 and that was filed by Bottle Rock, the project  
23 owner, on February 4<sup>th</sup>.

24 Also before you is to consider whether  
25 Bottle Rock should be penalized for violating a

1 Condition of Certification that required a  
2 Closure Bond and, if so, the amount of the  
3 penalty.

4           This proceeding began back in October of  
5 2012 when David Coleman filed a complaint  
6 alleging that the Bottle Rock project violated  
7 conditions of a 2001 Energy Commission Order  
8 approving a change of ownership of the project.  
9 Those conditions required that a \$5 million  
10 Closure Bond and a \$10 million Environmental  
11 Impairment Insurance Policy be maintained.

12           The committee consisting of Commissioner  
13 Douglas Presiding and Chairman Weisenmiller,  
14 Associate Member, conducted a hearing in January  
15 of last year and, in February of last year they  
16 issued a Decision finding that Bottle Rock did  
17 violate the part of the condition that required  
18 that it maintain the closure bond.

19           Bottle Rock appealed the Committee  
20 Decision to the full Commission, but it also  
21 filed a Petition to amend the conditions to  
22 address whether there should be a bond going  
23 forward and the amount of the bond.

24           So the appeal was stayed pending the  
25 outcome of that amendment proceeding, which

1 concluded on December 16th last year with the  
2 filing of an Order amending the bond requirement,  
3 but not removing the bond requirement. Bottle  
4 Rock has since filed a new bond in the required  
5 amount.

6           On February 4, again, Bottle Rock filed  
7 their request to withdraw their appeal and, while  
8 the committee Decision was final unless it was  
9 appealed, and therefore Bottle Rock had to appeal  
10 it if they wished to continue to discuss it, the  
11 committee doesn't have the power to impose a  
12 penalty on its own. And for that reason, in its  
13 Decision, it referred the question of the penalty  
14 up to the full Commission and it's before you  
15 today.

16           I am not aware of any objections to the  
17 withdrawing of the appeal and recommend that you  
18 accept that request. That would cause the  
19 committee Decision to remain in effect as a  
20 Decision of the Commission.

21           On the question of the penalty, staff  
22 originally recommended a \$10,000 penalty and they  
23 reaffirmed that in the response they filed last  
24 week. Mr. Coleman also filed a response and he  
25 argued -- and that was filed on Friday and I

1 believe you all have copies, we delivered them up  
2 to you -- he was arguing for a \$50,000 penalty.  
3 Bottle Rock asked that no penalty be imposed.

4 I prepared and I filed for everyone to  
5 look at a Draft Order accepting the withdrawal.  
6 That draft also has alternative language in it,  
7 depending on where you decide to go with regard  
8 to the penalty. And we would need to address the  
9 findings more specifically when we know what your  
10 wish is. Any questions?

11 CHAIRMAN WEISENMILLER: Thank you. Let's  
12 go to staff, and then Applicant and other  
13 parties.

14 MR. BELL: Thank you, Chairman  
15 Weisenmiller. Kevin Bell, Senior Staff Counsel.  
16 As Mr. Kramer mentioned, on February 6th of last  
17 year, the committee issued a Decision finding  
18 Bottle Rock had violated a Condition of  
19 Certification that required that it maintain a  
20 Closure Bond. At that time staff recommended a  
21 fine of \$10,000; however, the committee held that  
22 in abeyance and permitted Bottle Rock to either  
23 file a Petition to Amend to change the  
24 requirement that they maintain a Bond, or file  
25 the \$5 million Bond as originally required.

1           Staff's recommendation remains unchanged  
2 from that time. We have gone through the  
3 relevant factors in assessing whether or not a  
4 fine should be imposed and in what amount. I  
5 understand that Bottle Rock has a different point  
6 of view, Bottle Rock believes that no fine should  
7 be imposed. I understand the Complainant in this  
8 case has also a different position, that a much  
9 larger fine should be imposed. But in performing  
10 our duties as an independent party, staff has  
11 objectively looked at those separate factors  
12 which include the nature, circumstance, extent  
13 and gravity of the violation, whether the  
14 violation is susceptible to removal or  
15 resolution, the cost to the State in pursuing the  
16 enforcement action, and with respect to Bottle  
17 Rock: their ability to pay, the effect on their  
18 ability to continue in business, any voluntary  
19 removal or resolution efforts that were  
20 undertaken to cure the violation, history of  
21 prior violations, the degree of culpability,  
22 economic savings, if any, resulting from the  
23 violation, and such other matters as justice may  
24 require.

25           Staff had the opportunity to look at the

1 facts that would apply to these various factors  
2 in the underlying complaint proceeding and again  
3 have gone and revisited those factors. And based  
4 on staff's analysis that we've set forth in our  
5 response filed last week, staff believes that a  
6 \$10,000 fine would be appropriate.

7 To not penalize the project owner would  
8 be to put them back at square one, as if the  
9 violation had never occurred, as if they had  
10 complied with the condition to maintain that  
11 Closure Bond, and had never voluntarily and  
12 without Commission approval eliminated it. Staff  
13 does appreciate the efforts of the project owner  
14 through these proceedings to bring forth  
15 information that justified a slight reduction in  
16 that Bond, but nevertheless staff does feel that  
17 some penalty should be imposed. And that penalty  
18 according to our analysis is at \$10,000.

19 CHAIRMAN WEISENMILLER: Thank you.  
20 Applicant?

21 MS. CASTAÑOS: Good morning, Mr.  
22 Chairman, members of the Commission. Kristin  
23 Castaños, counsel for Bottle Rock, and with me  
24 today is Brian Harms from Bottle Rock Power. I  
25 won't reiterate the background, Mr. Kramer and

1 Mr. Bell have done a good job of that and I'm  
2 sure you're all very familiar with it.

3 I would say that Bottle Rock in no way  
4 deliberately intended to violate a condition of  
5 fair license. As you know, the condition at  
6 question was, in the 2001 Order transferring  
7 ownership from Department of Water Resources to  
8 Bottle Rock's predecessor, that Order required  
9 strict adherence to the Purchase Agreement  
10 between Bottle Rock's predecessor and DWR, and it  
11 was in that Purchase Agreement where the Bond  
12 requirement was articulated. It was not clear to  
13 DWR or Bottle Rock that amendment of that  
14 Purchase Agreement required approval of this  
15 Commission. And so there was no deliberate  
16 attempt to evade the Energy Commission's  
17 jurisdiction or deliberately violate a condition;  
18 in fact, DWR and Bottle Rock are the parties who  
19 notified the Commission of that amendment once it  
20 was underway.

21 As soon as the committee ruled and Bottle  
22 Rock realized that that Bond requirement was  
23 interpreted as a condition subject to Energy  
24 Commission jurisdiction, Bottle Rock immediately  
25 complied. We did file the appeal as a

1 placeholder, but we also immediately complied  
2 with the committee's order to initiate a Petition  
3 to Amend and are very grateful for the  
4 Commission's efforts in that regard.

5           Bottle Rock has taken every action  
6 necessary to resolve the issue, which is one of  
7 the factors to consider. The matter has been  
8 satisfactorily resolved and, as staff noted,  
9 Bottle Rock does not have a significant history  
10 of compliance issues.

11           But most importantly, there was no threat  
12 to the environment or to public health or safety  
13 at any time during the period that the Bond was  
14 canceled and during the period that the Petition  
15 was under review. And in fact, Bottle Rock not  
16 reinstating the Bond after the committee's order  
17 was directly in compliance with the committee's  
18 order which allowed that Bond requirement to be  
19 stayed pending the Petition to Amend.

20           So we feel that Bottle Rock has made best  
21 efforts to come into compliance, resolve this  
22 issue, did not create any threat to public health  
23 or safety or the environment, and for those  
24 reasons that no fines should be imposed. And if  
25 you have any questions, we're happy to answer

1     them.   Thank you very much.

2                   CHAIRMAN WEISENMILLER:   Thank you.

3     Anyone else in the room?   Okay, let's go on the  
4     line.   Mr. Mooney.

5                   MR. MOONEY:   Yes, thank you.   Donald  
6     Mooney on behalf of the Complainant, David  
7     Coleman.   And we sent a response last week.   And,  
8     you know, our response talked about that there's  
9     been some pretty significant financial gain by  
10    Bottle Rock by not having the Bond in place, and  
11    just kind of looking at what the cost of their  
12    Bond is now and looking at it at kind of a  
13    monthly basis, the gain, that financial gain is  
14    probably about \$44,000 and that's taking into  
15    consideration that that's based upon their  
16    premium for a \$1.3 million Bond, not the \$5  
17    million Bond that they should have been carrying  
18    until the Commission made a decision to change  
19    the amount of the Bond.

20                   So we think that the Bond amount should  
21    be significantly higher than what staff has  
22    recommended simply because Bottle Rock has  
23    profited from this violation, a violation that  
24    regardless of what Bottle Rock's counsel had  
25    indicated, I mean, it was pretty clear especially

1 from the documents that we provided, the letters  
2 from the Department of Water Resources, that  
3 there were conversations early on as far back as  
4 2009 that the Commission would have to sign off  
5 on the Bond requirement. Bottle Rock ignored  
6 those concerns or warnings from the Department of  
7 Water Resources. So maybe way back when that  
8 there was some type of requirement that the  
9 California Energy Commission approve any  
10 modification to the Bond, that they went ahead  
11 anyway and modified the Bond. And as a result,  
12 there was a significant profit to them, or  
13 economic advantage -- and that combined with the  
14 cost to the taxpayers for having to hold the  
15 hearings, and the cost to the Energy Commission.  
16 So we think the Bond in the amount of \$50,000  
17 would be appropriate. It would send a strong  
18 message to not just Bottle Rock, but to others  
19 that there needs to be a strict compliance with  
20 the Commission's orders and that you should not  
21 be able to profit from a year and a half of non-  
22 compliance. And that is basically what we have  
23 here is we have profiting from a year and a half  
24 of not complying. So we would encourage the  
25 Commission to look at a Bond in the neighborhood

1 of \$50,000. Thank you.

2 CHAIRMAN WEISENMILLER: Thank you.

3 Anyone else? Any questions, Commissioners?

4 We're getting ready to go into closed session and  
5 so I want to make sure if there are any questions  
6 we pursue those right now.

7 COMMISSIONER MCALLISTER: I guess there  
8 does seem like there is a difference of opinion  
9 here about whether there was will or not, or  
10 whether there was knowledge of what was going on,  
11 and I don't know that I want to "he said, she  
12 said" right here, but certainly compliance is not  
13 an option, so the fact that there wasn't  
14 compliance and that there wasn't a Bond, and that  
15 we do have authority, I just think it seems very  
16 clear to me. So certainly the signaling of a  
17 potential fine and stuff, there are other issues  
18 involved. But, I guess, what does staff have to  
19 say about the statement that the Applicant made?

20 MR. BELL: I appreciate the chance to  
21 respond to that. We've heard varying positions  
22 throughout the course of both proceedings, the  
23 original complaint proceeding, and then the  
24 amended proceeding, first off, that there was  
25 never a condition placed on Bottle Rock, we know

1 that's not correct; and secondly, if there was a  
2 condition, we didn't have jurisdiction to hear it  
3 because it was between two parties, it was a  
4 Purchase and Sale Agreement between DWR and  
5 Bottle Rock; we know that's not correct either.

6           And we heard that, well, even if there  
7 was a condition, Bottle Rock complied with it  
8 because the Purchase and Sale Agreement, Section  
9 4.5, allowed for a reduction or increase, or even  
10 elimination of Bond. We know that's not correct  
11 because the plain language indicated that in  
12 order to change the Bond amount, or eliminate it,  
13 there had to be an estimate by a group that could  
14 provide an estimate on closure to justify that  
15 elimination, deletion, or increase -- and we know  
16 that didn't happen.

17           And then the next position we heard was,  
18 well, even if we did violate that condition, it's  
19 a win-win circumstance because Bottle Rock gets  
20 to get rid of the Bond and the State benefits  
21 because part of their agreement between DWR and  
22 Bottle Rock, DWR being a sister State agency, was  
23 that the State would be held free of liability.  
24 Well, we know that's not correct either because  
25 the potential harm to the environment if a

1 Closure Bond isn't in place. So the only thing  
2 that we're left with, looking at those objective  
3 facts, are that it was willful.

4 Also communications that we have, that  
5 Mr. Moody alluded to in his response that is part  
6 of the record and that we didn't want to restate  
7 that, but there are communications between Bottle  
8 Rock and between DWR that indicated knowledge of  
9 the obligation to come to the Commission to ask  
10 for that change and, again, we know that that  
11 didn't happen either.

12 COMMISSIONER MCALLISTER: Okay. Thanks  
13 for that.

14 CHAIRMAN WEISENMILLER: Applicant, or Mr.  
15 Mooney, I'll give both of you a chance to respond  
16 briefly, if at all, to the staff.

17 MR. MOONEY: Well -

18 MR. HARMS: Excuse me?

19 MR. MOONEY: Did you want me to go first  
20 or the Applicant?

21 CHAIRMAN WEISENMILLER: I wanted to see  
22 if either of you and the Applicant is ready, so  
23 let them go.

24 MR. HARMS: Mr. Mooney can go first.

25 CHAIRMAN WEISENMILLER: Okay, go ahead.

1           MR. MOONEY: Well, yeah, in terms of what  
2 Mr. Bell stated, I mean, we agree that we believe  
3 there was -- that the evidence in the Petition  
4 Hearing and in the Complaint proceeding all  
5 indicate that Bottle Rock was quite aware of the  
6 situation. They were aware of their  
7 requirements. They elected not to proceed by  
8 going to the Commission first. They didn't even  
9 inquire as to the Commission, especially after  
10 the letters from DWR in 2009, both of which were  
11 directed to Mr. Harms, that they didn't even make  
12 an inquiry as to if the Commission or the  
13 Commission staff thought that they needed to get  
14 approval ahead of time. At an absolute minimum,  
15 they could have done that. Instead, they just  
16 acted unilaterally and canceled their Bond  
17 without the Commission's knowledge or even  
18 inquiring as to whether or not the Commission  
19 thought that they needed to obtain approval  
20 first. So we think it was very willful. And we  
21 think that, you know, by doing that there was  
22 significant economic incentive and economic  
23 savings on their behalf. So, again, we think a  
24 Bond greater than \$10,000 and more in the  
25 neighborhood of \$50,000 would be appropriate.

1 CHAIRMAN WEISENMILLER: Okay, thank you.  
2 Applicant?

3 MR. HARMS: First, I would respond about  
4 whether or not Bottle Rock profited from these  
5 proceedings: Bottle Rock did not. We entered  
6 into a Settlement Agreement between the  
7 Department of Water Resources, the landowner, and  
8 Bottle Rock, that was a three-way agreement.

9 Now, admittedly, there's probably some  
10 misunderstanding on the part of Bottle Rock  
11 regarding the wording and language from an Order  
12 in 2001; and, yes, there was a number of  
13 communications. But we attempted in good faith  
14 to solve a problem and it's apparent from these  
15 proceedings that I was probably in error in how I  
16 did that, but I approached the State of  
17 California through the Department of Water  
18 Resources, then the landowner, essentially to  
19 solve to some extent a dispute between the  
20 landowner and the Department of Water Resources,  
21 as well as a disagreement with the Department of  
22 Water Resources and Bottle Rock, regarding the  
23 appropriate Bond amount. How we proceeded in  
24 error on my part, I admit that I deferred to  
25 another State agency for guidance.

1           When we entered into the Settlement  
2 Agreement, Bottle Rock did not profit, Bottle  
3 Rock had substantial expense to actually execute  
4 the agreement. Certainly, even going through the  
5 proceedings with the Energy Commission was an  
6 expense to Bottle Rock. We did not profit from  
7 this activity, what we did was resolve the  
8 dispute and resolved the potential long term cost  
9 liability which was limiting the ability for  
10 Bottle Rock to bring capital into the project.  
11 We deferred to the Department of Water Resources  
12 to some extent that we felt there would be a  
13 relationship between the agencies as far as what  
14 we had to do; perhaps I was in error in that,  
15 which is why we appealed, but we agreed we would  
16 fix the problem. The reason we came back with a  
17 Petition to Amend was to do just that. The  
18 Energy Commission asked us to -- directed us --  
19 to fix the problem, which we did. A Bond is now  
20 back in place. It is for a lower amount which  
21 was negotiated through that Petition to Amend  
22 process. There wasn't any willful intentions at  
23 any point, we actually acted in good faith with  
24 an attempt to solve a problem. In error? Yes.  
25 I relied on another agency, I relied on the

1 Department of General Services who signed off on  
2 that agreement as my, I'll call it, advice on how  
3 to handle it, but I don't think I would say  
4 there's anything willful in what we did. But it  
5 certainly was not a profitable exercise for  
6 Bottle Rock, but it did resolve a problem for the  
7 State of California. The release of liability is  
8 not a general release, it's one for the State of  
9 California from the landowner, which is the  
10 dispute that Bottle Rock wanted to solve in order  
11 to get some changes to the Purchase and Sale  
12 Agreement.

13 CHAIRMAN WEISENMILLER: Okay, thank you.  
14 We're going to go into Executive Session and  
15 we'll be back, I'm going to say, in 15 minutes.

16 (Adjourned to Executive Session at 10:48 a.m.)

17 (Reconvened at 11:43 a.m.)

18 CHAIRMAN WEISENMILLER: Okay, we're back  
19 in session. Commissioner Douglas.

20 COMMISSIONER DOUGLAS: So I would like to  
21 make a brief comment about the closed session and  
22 then what we'll do is we'll wait to take action  
23 on this item until we have allowed our Hearing  
24 Officer to spend some time and finalize an Order  
25 for our consideration.

1           So based on our discussion, we are going  
2 to go forward with a fine in the amount of \$2,500  
3 and I'll just explain some of the factors in our  
4 thinking and give my colleagues an opportunity to  
5 speak on this, as well.

6           First off, as Commissioner McAllister  
7 said, compliance with the conditions and Energy  
8 Commission license is not optional, it's  
9 important, it's something we take very seriously.  
10 In this particular proceeding, of course, our top  
11 priority was the environmental protection. Our  
12 top priority throughout the rather long history  
13 of this proceeding has been to ensure that we  
14 protect the environment first.

15           And so when we learned that the Bond was  
16 not in place, we had our first proceeding that  
17 Chairman Weisenmiller and I were assigned to and  
18 out of that we hoped and expected and I think  
19 ultimately through the second proceeding achieved  
20 reinstatement of a Bond in the amount that the  
21 Commission thinks is appropriate.

22           The project, of course, provides benefits  
23 to the state, it provides generation, and it  
24 provides jobs. We want to see the project  
25 continue, we want to see it succeed. We also

1 think that it's very important to send the signal  
2 again that compliance with our conditions is not  
3 an option, it's very important. The condition  
4 could have been more clear as it was written, I  
5 think Bottle Rock made that point; at the same  
6 time, we think that it was clear enough and  
7 certainly, as the committee reviewed the question  
8 and came out with the Order that said, in fact,  
9 it is a condition, it does apply, and the Bond  
10 should either be reinstated or, as noted, we gave  
11 Bottle Rock the option of filing an amendment in  
12 order to petition the Commission for any  
13 amendment or change to the requirement that  
14 really would have been the right way to proceed  
15 all along. We went through that proceeding. And  
16 I think the most important thing is that we are  
17 in a good place right now with the Bond in place.

18           There was no harm to the environment from  
19 the Bond not being in place, however, I will note  
20 that there was some potential of risk to the  
21 environment because if there had been closure  
22 during the period when the Bond was not in place,  
23 those funds would not have been available for the  
24 remediation. And so, while there was not harm,  
25 there was a level of risk during the period that

1 the Bond was not in place. Other comments,  
2 Commissioners?

3 CHAIRMAN WEISENMILLER: I was on the  
4 original case with you and, again, certainly at  
5 this stage I'm very happy that we have put in  
6 place a resolution to this in terms of getting  
7 the Bond back and, as we both indicated at that  
8 time, we really wanted to make sure the  
9 environment was protected, but certainly we're  
10 trying to accommodate things to keep the plant --  
11 work on an accommodation where the plant was  
12 operating, so I'm glad we got to that point. And  
13 I think today's decision, again, is trying to  
14 deal with the basic signal for people that  
15 compliance is not optional, but indeed is  
16 mandatory. And certainly if there are questions,  
17 we have a process in place to come in and we can  
18 clarify them.

19 COMMISSIONER MCALLISTER: I think that  
20 your comments encapsulated my thoughts, as well.  
21 So, yeah, no further comments from me.

22 COMMISSIONER SCOTT: Same, I also don't  
23 have anything to add, it was a good  
24 encapsulation.

25 CHAIRMAN WEISENMILLER: Great. So now

1 we're going to hold this item and go on to Item  
2 6, which is EnergyPro Version 6.1 Residential  
3 Compliance Software. Martha Brook.

4 MS. BROOK: Good morning, Commissioners.  
5 I'm here today to recommend a resolution  
6 approving EnergyPro Version 6.1 as compliance  
7 software for the 2013 Residential Building Energy  
8 Efficiency Standards. This version of EnergyPro  
9 allows performance-based compliance analysis for  
10 design and construction projects of new homes, as  
11 well as additions and/or alterations to existing  
12 homes.

13 With this request for approval, we also  
14 recommend rescinding approval of EnergyPro  
15 Version 6.0, which was approved by the Commission  
16 back in December. We ask you to approve the  
17 resolution that has been drafted for this agenda  
18 item topic with a slight correction to reflect  
19 that this is Item 6 today, I think in your  
20 document it shows Item 3, so we would ask for  
21 that correction and your approval of that  
22 resolution. And I'm here to answer any questions  
23 that you have.

24 CHAIRMAN WEISENMILLER: Thank you. We  
25 have one public comment. Mr. Moreno for the

1 Sierra Club.

2 MR. MORENO: Good morning, Commissioners.

3 Thank you for giving Sierra Club California the  
4 opportunity to support the California Energy  
5 Commission in its efforts to facilitate the  
6 development of Appliance Efficiency Standards.

7 Sierra Club is in full support of the  
8 approval of EnergyPro 6.1, which requires  
9 manufacturers to certify the performance of their  
10 appliances and demonstrate compliance with  
11 Appliance Efficiency Standards and requires that  
12 this information be publicly available.

13 Noncompliance is one of the biggest obstacles  
14 facing continued investment in energy efficiency  
15 in California and the certification process  
16 ensures that these products are on par with  
17 current standards and brings savings projections  
18 closer to real-life savings generated from the  
19 implementation. It will ensure that those  
20 savings translate to reduced greenhouse gas  
21 emissions and improved air quality for all  
22 Californians. Thank you for your time.

23 CHAIRMAN WEISENMILLER: Thank you. Thank  
24 you for your participation in this proceeding.  
25 Commissioners, any questions or comments on this?

1           MR. LEVY: Commissioners, may I just  
2 quickly call to your attention the resolutions --

3           COMMISSIONER MCALLISTER: There's a  
4 little bit of static coming through, actually.  
5 There we go.

6           MR. LEVY: Thank you.

7           COMMISSIONER MCALLISTER: I'm sorry, I  
8 missed that, Michael.

9           MR. LEVY: I'm sorry. Just calling to  
10 your attention for the record that there's a  
11 resolution in the back of your materials.

12          COMMISSIONER MCALLISTER: Right, great.  
13 Thanks. So I guess I would just point out that  
14 this is one small step -- I don't want to make a  
15 lunar analogy here -- this is indeed a literally  
16 small step for along the relatively still long  
17 road to getting our Building Standards in place  
18 for 2013 by July of this year, by the end of June  
19 of this year, and getting the existing buildings  
20 into the alterations and into it is the next step  
21 for this particular residential software. We  
22 approved new constructions in the previous  
23 version and now this incorporates additions and  
24 alterations.

25          So you know, obviously we're hoping to

1 have additional tools and a fully sort of  
2 functional marketplace in this, this is one tool  
3 that we're approving today that folks will be  
4 able to use for compliance purposes for Title 24  
5 going forward when fully implemented, and so this  
6 is a very positive step towards getting where we  
7 need to be over the coming months, so I wanted to  
8 thank staff working with the developer. The  
9 Developer is not here, I take it, Martha?

10 MS. BROOK: No.

11 COMMISSIONER MCALLISTER: Okay. Working  
12 with the developer and making sure that things  
13 are aligned and tested and functional, and indeed  
14 where necessary I'm assuming that work will  
15 continue as needed in case other issues come up  
16 as with all of our tools. But this one is, you  
17 know, staff has deemed it ready to go and for  
18 adoption, so I'm very supportive of that. So  
19 thanks. So I wanted to give others the  
20 opportunity, but I'll move Item 6 with the  
21 resolution as indicated.

22 COMMISSIONER DOUGLAS: I'll second  
23 Commissioner McAllister's motion. I'm happy to  
24 see this progress with the Residential Compliance  
25 Software.

1 CHAIRMAN WEISENMILLER: Okay, all those  
2 in favor?

3 (Ayes.) Item 6 passes unanimously.

4 Let's go on to Item 7, Appliance  
5 Efficiency Regulations, Docket 13-AAER-1. And  
6 Harinder Singh.

7 MR. SINGH: Hello Commissioners.  
8 Harinder Singh. Today staff is requesting the  
9 Commission approve the resolution adopting the  
10 Federal updates and clarifications to the  
11 Appliance Efficiency Regulations, Title 20, and  
12 Section 1601 through 1608 of the California Code  
13 of Regulations.

14 First, I will have the CEQA discussion.  
15 Staff has found the proposed federal and state  
16 changes to the Appliance Efficiency Regulations  
17 have no impact on the environment and therefore  
18 these changes are exempt from CEQA. Staff has  
19 completed a notice of CEQA exemption and posted  
20 it on the Commission's website on December 20,  
21 2013.

22 Appliance Efficiency Regulations  
23 Discussion: Beginning in 1990, the Energy  
24 Commission has incorporated federal standards  
25 into the state standards. The purpose of

1 incorporating the federal standards into the  
2 state standards is to create a database to ensure  
3 the sale and installation of compliant products  
4 in the state. California appliance regulations  
5 and database serve as a one-stop shop for  
6 manufacturers, retailers, building designers,  
7 contractors, building officials, state and local  
8 procurement departments, to access both state and  
9 federal efficiency standards.

10           Prior to the Energy Commission's  
11 database, there was no publicly available  
12 database to determine which products complied  
13 with the standards and to what extent. The  
14 majority of the changes that are proposed in the  
15 45-day language reflects the updates to federal  
16 standards that have occurred in the last several  
17 years, and do not include federal changes that  
18 were adopted after May 2013. Federal changes  
19 that are adopted by the DOE after May 2013 will  
20 be incorporated in the next federal updates  
21 rulemaking.

22           In addition to federal changes, there are  
23 some clarifications and corrections to the state  
24 regulations. The initial statement of reasons  
25 (ISOR) explains the rationale for changes to the

1 state regulations. Those changes are as follows:

2 1. Correcting text and formatting errors.

3 2. Removing obsolete language.

4 3. Ensuring conformance with the existing

5 building and industry definitions related to the

6 LED lamps.

7 4. Modifying the definitions of manufacturers to

8 provide greater compliance flexibility by

9 simplifying the third party authorization and

10 submission of procedures.

11 5. Correcting the scope of battery chargers to

12 more clearly include forklift battery chargers as

13 a regulated product.

14 6. Correcting the scope of televisions that

15 conflicted with older 2006 standards that applied

16 to televisions of sizes greater than 1400 inches.

17 So we received a number of comment

18 letters during this process, and we have received

19 letters from Hearth Patio Barbeque Association,

20 Emerson Network Power Computer Room Air-

21 Conditioning Systems, HP, IOU's, and Association

22 of Home Appliance Manufactures (AHAM). I will

23 discuss a little bit on the Hearth Patio Barbeque

24 first.

25 There was an issue according to a

1 December 2013 Federal Register announcement, the  
2 vented Hearth heater standard is unenforceable.  
3 DOE will issue a new standard, consistent with a  
4 2013 appellate court decision, sometime in the  
5 future.

6           So because of this unclear standard, we  
7 have proposed a solution: The staff recommends  
8 that the Commission adopt the expressed terms as  
9 revised in the resolution. The draft resolution  
10 provided to the Commission contains the specific  
11 portions of the express terms related to hearth  
12 heaters that have been invalidated as a result of  
13 the court ruling and the DOE action.

14           We received a letter from the IOUs and  
15 there is an issue they have raised and we have  
16 provided a solution. The IOUs pointed out an  
17 issue related to Pool Heater Gas Pilot Lights.  
18 Gas pool heaters are regulated by the DOE, but  
19 gas pool heater pilot lights are excluded from  
20 the federal standard. The pilot light standards  
21 are included in the state regulations. In the  
22 current 45-day language, staff erroneously  
23 deleted the state regulated pool heater pilot  
24 light standards from section 1605.3(g) and  
25 section 1606(g).

1           So the staff recommends that the  
2 Commission adopt the expressed terms as revised  
3 in the resolution. The draft resolution  
4 reinstates the language, striking out the  
5 language that was clearly an error, was not noted  
6 in the NOPA, and there was no analysis conducted  
7 supporting such a change.

8           Also, there is a second comment from  
9 IOU's, they commented on the deletion of obsolete  
10 pool pump standards. Staff will clarify this  
11 issue in the Final Statement of Reasons (FSOR).  
12 Part of the pool pump standards language that was  
13 adopted in 2006 was replaced with the new  
14 standards in 2008 and this old standard was no  
15 longer in effect after new standards took effect  
16 in 2010 and thus deleted. This deletion has no  
17 impact on the energy efficiency measure of the  
18 pool pump. Staff recommends no additional  
19 changes at this time to the express terms.

20           And we received a letter from Mr. Pat  
21 Splitt from AAP. AAP requested that the Energy  
22 Commission adopt state standards for hydronic  
23 space heating. Later, AAP resubmitted their  
24 comment letter to pre-rulemaking docket number  
25 12-AAER-2G for new appliance efficiency

1 standards. So staff will work with the AAP on  
2 this issue in the regular rulemaking process.

3           Then we received a letter from Emerson  
4 and Schultz Technologies. Comments submitted by  
5 these two people request that the Commission add  
6 additional language to the federal standards  
7 above and beyond the federal standards. Staff  
8 believes that Emerson's comments are beyond the  
9 scope of the 45-day language and are also not  
10 part of the federal regulations and would result  
11 in the Commission's regulations being  
12 inconsistent with the current federal  
13 regulations. Staff recommends no additional  
14 changes at this time to the express terms.

15           And we have received a letter from HP.  
16 They have requested clarifications related to the  
17 third party data submittal process. So staff  
18 response to that is that staff will respond in  
19 the FSOR in writing, all the issues they have  
20 raised, so that it is documented.

21           And we have received a letter from  
22 Association of Home Appliances Manufacturers  
23 (AHAM). AHAM requested the Commission to make a  
24 number of language changes, some of which include  
25 additional federal changes that were adopted by

1 DOE after May 2013. Staff incorporated all these  
2 changes in the CFR until May 2013 and had a  
3 cutoff date of May 2013. While staff attempted  
4 to capture as many federal updates as possible,  
5 at some point there has to be a cutoff date so  
6 staff can finish the rulemaking process.

7 Other changes identified in the AHAM  
8 letter will be considered in the next federal  
9 update rulemaking and responded to in detail in  
10 the FSOR. Staff recommends no additional changes  
11 at this time to the express terms. Staff is  
12 available for answering any questions.

13 CHAIRMAN WEISENMILLER: Okay, let's hear  
14 the public comments. The first one is Tom Karow  
15 from HPBA.

16 MR. KAROW: Good morning, Commissioners.  
17 My name is Tom Karow. I am the new President of  
18 HPBA Pacific. The Hearth Patio and Barbecue  
19 Association Pacific Affiliate (HPBAP) is a not  
20 for profit trade association that represents and  
21 promotes the interests of the Hearth products  
22 industry regionally in California, Nevada, and  
23 Hawaii. HPBAP is also a not for profit trade  
24 association which represents manufacturers all  
25 across North America. The National Association

1 and Regional Affiliate represent several national  
2 and California entities that include  
3 manufacturers, retailers, and service companies.  
4 As HPBAP has testified and sent comments into the  
5 docket, the Hearth heater portions of the  
6 Appliance Efficiency Regulations are  
7 unenforceable, arbitrary, and capricious. They  
8 have the potential impact of putting vented gas  
9 fireplace heaters out of business immediately  
10 after adoption.

11 HPBA has explained these implications to  
12 staff and is grateful for their recognition of  
13 the impact on the vented gas fireplace industry.  
14 HPBA is here to support the changes that staff  
15 has made to strike the Hearth heater provisions  
16 of the 45-day language. This eliminates the CEC  
17 from promulgating unenforceable regulations in  
18 the field. HPBA wishes to thank Harinder Singh  
19 and Consuelo Martinez for their time and efforts  
20 assisting HPBA. Staff proposes to add vented gas  
21 fireplace heaters regulations in the Appliance  
22 Efficiency Regulations once this issue is  
23 resolved by the current DOE rulemaking. HPBA is  
24 actively participating in this rulemaking. HPBA  
25 supports entering these regulations into the

1 Appliance Efficiency Regulations once this action  
2 is complete and noticed in the Federal Register.  
3 And I'm here to answer any questions you may  
4 have.

5 CHAIRMAN WEISENMILLER: Okay, thank you.  
6 Let's hear the other two comments and then we'll  
7 see if Commissioners have questions. Mike  
8 Hodgson, please.

9 MR. HODGSON: Good morning,  
10 Commissioners. Mike Hodgson, President of  
11 Consol, representing HPBA Pacific. I'd like to  
12 compliment staff on their solution to the  
13 untenable situation of adopting DOE's Hearth  
14 Heater Appliance Regulations which have been  
15 vacated by Federal Court. Since DOE did not  
16 update their federal rule after the court ruling  
17 last May, staff had no description for vented  
18 hearth heaters, nor test methodology to rate such  
19 appliances. By removing those outdated  
20 references from the DOE final rule from the  
21 Appliance Efficiency Regulations, the CEC does  
22 not promulgate regulations that would be  
23 unenforceable.

24 DOE has started the rulemaking and it  
25 started early this January. HPBA is actively

1 participating and looks forward to a conclusion  
2 by the end of this year. It is a DOE rulemaking  
3 and so I am optimistic by saying by the end of  
4 this year, but what it says and noticed in the  
5 Federal Register as comments made by the  
6 President of HPBA that they will go along with  
7 those conclusions.

8 HPBA has also been active in the  
9 development of the 2013 Standards, as well as the  
10 Appliance Standards. As envelopes become tighter  
11 in California, the amount of heat you need to  
12 heat new homes diminishes. Zonal control of  
13 living spaces is a more efficient way to operate  
14 homes and the vented gas fireplace industry makes  
15 those heaters in the 20,000 to 45,000 Btu range.  
16 The vented gas fireplace industry looks forward  
17 to being a part of the solution as California  
18 homes move towards zero. Thank you and thank  
19 again to staff for making those amendments in the  
20 45-day language.

21 CHAIRMAN WEISENMILLER: Thank you. Gary  
22 Fernstrom.

23 MR. FERNSTROM: Good morning, Chairman,  
24 Commissioners, Staff and interested parties. I'm  
25 Gary Fernstrom, representing the California

1 Investor Owned Utilities, which are the Pacific  
2 Gas & Electric, Southern California Edison,  
3 Southern California Gas, and San Diego Gas &  
4 Electric Companies. We're authorized by the  
5 Public Utilities Commission to advocate for  
6 improved Efficiency Standards here at the CEC, as  
7 well as with the Department of Energy, and our  
8 utilities serve the majority of California  
9 homeowners and electric and gas customers.

10           During the past 15 years after which PG&E  
11 proposed the Codes and Standards Program, we've  
12 submitted to you numerous recommendations for  
13 improvement, which you have adopted. Many of  
14 these have gone on to the Department of Energy to  
15 be adopted by them. So we're fully supportive of  
16 the Commission and staff's energy efficiency  
17 improvement effort in the State.

18           We would like to support the adoption of  
19 the 45-day language as recommended by staff and  
20 compliment staff for its work with us on those  
21 changes and on considering our comments with one  
22 caveat, and that is we believe the scope and  
23 definitions relating to swimming pool pumps,  
24 swimming pool pump motors, and replacement motors  
25 may have some lack of clarity with respect to the

1 way these products are defined in the  
2 marketplace, and with respect to the way they're  
3 utilized, so we look forward to working with  
4 staff in the current rulemaking to see if we  
5 can't improve some of those terms in the scope  
6 and definitions. Thank you.

7 CHAIRMAN WEISENMILLER: Thank you.  
8 Staff, do you have any comments?

9 MR. SINGH: I would like to read for  
10 clarification for the record the pool pump  
11 definition, as well as the standard, so we  
12 clarify in the record what it means.

13 The definition of residential pool pump  
14 and motor combination means a residential pool  
15 pump motor coupled to a residential pool pump,  
16 number one; number two, the definition of  
17 residential pool pump motor means a motor that is  
18 used as a replacement residential pool pump motor  
19 or as a part of a residential pool pump and motor  
20 combinations. The standard part follows:  
21 "Residential pool pump and motor combinations and  
22 replacement residential pool pump motors." It  
23 states that residential pool pump motors,  
24 residential pool pump motors with a pool pump  
25 motor capacity of 1 horsepower or greater, which

1 are manufactured on or after January 1, 2010,  
2 shall have the capability of operating at two or  
3 more speeds with a low speed of having a rotation  
4 rate that is no more than half of the motor's  
5 maximum rotation rate. The pump motor must be  
6 operated with a pump control that shall have the  
7 capability of operating the pump at least at two  
8 speeds. Additionally, I want to add that  
9 therefore the standard covers, new pool pump  
10 motors, replacement motors, pool pump motors and  
11 products that include that equipment, such as  
12 pool pump. So that's what I wanted to put in the  
13 record here. If anybody has any questions or  
14 comments, please.

15 CHAIRMAN WEISENMILLER: Thank you.  
16 Commissioners, any questions or comments?

17 COMMISSIONER MCALLISTER: Yeah, just a  
18 couple of comments. So I want to acknowledge  
19 Gary, I know that you've been just a real diehard  
20 on the pool pump front, among many other fronts,  
21 but really been in this for the long haul and I  
22 really appreciate that. So thanks for being  
23 here. And then on all the comments, I just kind  
24 of wanted to say, you know, there's highly  
25 technical issues here that the HPBA brought up

1 and we're a technical agency and our staff really  
2 works through a plethora of things that come  
3 through and you have to get into the details, you  
4 have to roll up your sleeves and really get into  
5 the details of what's out there in the world and  
6 work with stakeholders, and I appreciate the  
7 level of effort that takes on staff's part and on  
8 Legal's part, and throughout the organization, so  
9 this is another example of I think having a  
10 constructive dialogue and getting to a solution  
11 that works for everyone.

12           And then second, I just want to highlight  
13 that having this function, having it function  
14 well and get to these solutions depends on having  
15 an active outreach and active engagement with  
16 stakeholders really daily. And we can't find out  
17 about those things unless we have a trust with  
18 the stakeholders that they're willing to bring  
19 them to us and vice versa. I think we want to  
20 make sure that we have dialogues that underpin  
21 appropriately our decisions, and so I think while  
22 I'm sure there was a bit of consternation along  
23 the way, at the end of the day we have an  
24 outcome, so I don't want to minimize the sort of  
25 back and forth, but I also want to acknowledge

1 that that's the way the process works and really  
2 how it has to work. So I want to thank everybody  
3 for resolving the couple issues here and  
4 certainly going forward, continuing on with that.

5 I very much support this item, obviously  
6 it's in the efficiency wheelhouse, so I think  
7 it's something I'm relatively up on, and will  
8 leave it to other Commissioners to resolve any  
9 doubts they may have.

10 COMMISSIONER SCOTT: I just wanted to say  
11 as the public member to thank you and to thank  
12 the staff for the active outreach that you've  
13 mentioned that everyone does, and the good  
14 dialogues that have taken place with the  
15 stakeholders. I think it helps us have a better  
16 product and a better outcome. So thank you and  
17 thank you to the staff for that.

18 UNIDENTIFIED SPEAKER: My name must not  
19 have gotten on the list, I apologize for that.  
20 Would I be allowed to make some more comments?

21 CHAIRMAN WEISENMILLER: Sure. Go ahead.

22 MR. MEADOWS: My name is David Meadows,  
23 I'm the Chief Engineer for Stulz Air Technology  
24 Systems. We produce computer room air  
25 conditions. First of all, I want to applaud the

1 work Mr. Singh and his group have done, I think  
2 they've done a fantastic job.

3 I would like to address one specific  
4 issue and that is the test standard that is being  
5 put forward in the new 45-day language for  
6 specifically computer room air conditioners. It  
7 is the 2007 standard. The more current standard  
8 is the 2012. And while I agree with Mr. Singh  
9 that the 2007 standard is what the DOE is  
10 specifying, they have missed the paradigm shift  
11 in data center cooling to the much higher  
12 temperatures. So now the rating temperature that  
13 we will rate our air conditioners at is actually  
14 the supply air temperature that we're providing  
15 to the servers, it has changed by 20 degrees  
16 Fahrenheit. This took place in 2011 with the  
17 ASHRAE TC9.9 Committee's recommendations for data  
18 center cooling. This was done for one reason and  
19 one reason only, and that was to increase the  
20 energy efficiency of the computer room air  
21 conditioners and recognition that data centers  
22 were now using a tremendous amount of energy here  
23 in California and in the United States.

24 So I would like to ask that at least a  
25 little further consideration be given to updating

1 the standards to reflect the equipment as it is  
2 now designed to be operated, as opposed to how it  
3 was designed to be operated in 2007. And that's  
4 my only comments. Thank you very much.

5 CHAIRMAN WEISENMILLER: Yeah. Thank you.  
6 Staff, do you have a response?

7 MR. BABULA: This is Jared Babula, Staff  
8 Counsel. I do have a question for you. So the  
9 purpose of this rulemaking was to update the  
10 Federal Standards in our Regs, so if the CFR  
11 still has the older standard, that is what we  
12 would have to use for these federally preempted  
13 products. Is the DOE making any adjustments or  
14 changes to that section?

15 MR. MEADOWS: That's a very good  
16 question, I agree the CFR currently calls out the  
17 2007 standard. We as manufacturers and also as a  
18 member of the ASHRAE TC9.9 committee, we are  
19 working with the Federal Government to get them  
20 to acknowledge that the new standard is more in  
21 line with how the equipment can be operated in a  
22 highly efficient manner. To date we have not  
23 gotten word back from the Department of Energy  
24 that they are willing to change, but we do have a  
25 dialogue going. The only think I would point out

1 is that the 2012 standard will result in  
2 equipment that is possibly 50 percent more  
3 efficient than those designed around the 2007  
4 standard. And I would point out as a  
5 manufacturer, what that means is that we would  
6 sell less equipment if the newer standard was  
7 adopted. So we are doing this because we believe  
8 that for our industry to continue to go forward,  
9 we must provide extremely energy efficient pieces  
10 of equipment. And we would hope that both the  
11 Department of Energy and, as a leader, the  
12 California Energy Commission could sort of drive  
13 this towards where we believe it should go.

14 MR. BABULA: But what we're trying to do  
15 here is establish a more frequent process for  
16 doing these updates. If you notice, the packet  
17 is rather large and moving forward you're going  
18 to see much smaller packets as we do this in a  
19 more routine fashion. And so I think what we'll  
20 have to do is contact DOE and sort of try to find  
21 out where they're going with this and be ready to  
22 work with them, but probably in a future  
23 rulemaking is when we'll be able to capture the  
24 changes since right now we're limited to just  
25 taking what the CFR says.

1           MR. MEADOWS: Well, I certainly  
2 understand that and I thank you for all your hard  
3 work.

4           COMMISSIONER MCALLISTER: Thanks for  
5 being here. I'll just make two points on that,  
6 1) this is a preemption issue, so we can't on  
7 this particular item get out in front of DOE, so  
8 we'd love to lead in some ways and we do that by  
9 interacting with DOE directly in their  
10 rulemaking. And the other thing I would just  
11 point out is that we do, you know, the Energy  
12 Commission actually in data centers, in  
13 particular, has sponsored a lot of research over  
14 the years to try to get to more efficient  
15 approaches and certainly the 20 degree increase  
16 may have in part at least come about because of  
17 some of the learning that we've sponsored, so I  
18 would say, you know, nice job and thanks for  
19 participating in this ecosystem because we're  
20 getting there as we cool more locally, you know,  
21 in the equipment itself we don't have to worry  
22 about keeping the room at 45 degrees, or  
23 whatever, so in any case I think we are moving in  
24 the right direction and there's just some  
25 processes we have to step through between

1 ourselves and DOE, and that is happening.

2 So with that, I'll move Item 7.

3 COMMISSIONER DOUGLAS: Second.

4 CHAIRMAN WEISENMILLER: All those in  
5 favor?

6 (Ayes.) Item 7 passes unanimously.

7 Thank you. Thanks, staff, for your hard work.

8 Let's go on to Item 8. Regents of the  
9 University of California, CIEE. And possible  
10 approval of a resolution for three grant  
11 applications, a total of \$997,222. This is PIER  
12 Electricity funding. Matt Fung, please.

13 MR. FUNG: Good morning, Commissioners.  
14 I'm seeking a recommendation to approve the  
15 resolution to award the three projects from the  
16 final Enabling Technologies Development  
17 Competitive Grant Solicitation, ETD 13-02 under  
18 Contract 500-01-043. The total proposal award is  
19 for \$997,220.

20 In August of 2013, CIE administered and  
21 released two research ancillary notices in the  
22 research areas of Smart Home and Distribution  
23 Grid. Thirteen proposals were received, five for  
24 Distribution Grid, and eight for Smart Home. Of  
25 the 13 proposals, six passed the scoring criteria

1 and, of those six proposals, three are being  
2 proposed for funding, two for Smart Home and one  
3 for Distribution Grid.

4           The proposed Distribution Grid project is  
5 called the Control of Network Electric Vehicles  
6 to Enable a Smart Grid with Renewable Resources.  
7 UCLA is partnering with UC San Diego to develop  
8 control technologies that leverage the aggregated  
9 energy storage potential of electric vehicles  
10 that are networked together to support  
11 distributed system operation, supply peak load  
12 demand, and provide ancillary support for the  
13 grid. This project will use communication  
14 computing and control technologies for renewable  
15 resources, energy storage units, and network  
16 electric vehicle management to enable a smart  
17 grid with renewable resources.

18           Network electric vehicles aggregated on a  
19 distributed grid can provide coordinated peak  
20 power support to increase power quality, grid  
21 stability and reliability. The proposed grant  
22 amount is for \$400,000 for a term of 12 months.

23           The next project, which is under the  
24 Smart Home Research area is called the Smart  
25 Power for a Smart Home: Inverter Connections,

1 Power Factor Correction, and Peak Reductions. UC  
2 Irvine is partnering with UC Davis to develop an  
3 active Power Factor Correction Inverter that can  
4 control the power quality factor in real time.  
5 Using wireless load monitoring hardware, the  
6 Inverter will be demonstrated at the Honda Smart  
7 Home at the UC Davis West Village to provide  
8 baseline zero net energy home data for future  
9 level grid modeling. The proposed grant is for  
10 \$397,288 for a term of 12 months.

11 The second Smart Home project is called  
12 Enabling Real-Time Residential Pricing with  
13 Closed Loop Customer Feedback. San Diego State  
14 University is partnering with CSU San Marcos to  
15 develop a real-time pricing control system to  
16 balance varying energy demands, generation, and  
17 regulated energy prices. The control system will  
18 require data related to customer behavior in  
19 response to San Diego Gas & Electric's pricing  
20 and make this data available to the utility with  
21 the customer's consent. This data will allow San  
22 Diego Gas & Electric to improve their energy  
23 demand forecasts. The proposed grant amount is  
24 for \$199,932 for a term of 12 months.

25 With that, I would respectfully request a

1 recommendation to award these three proposed  
2 projects and I am available to answer any  
3 questions. Therese Pfeffer from CIEE is also on  
4 line to answer questions, as well.

5 CHAIRMAN WEISENMILLER: Okay, thank you.  
6 Commissioners, any questions or comments maybe  
7 for this gentleman or the CIEE person on the  
8 line?

9 COMMISSIONER SCOTT: I do. I think all  
10 of these sound like great projects -- it's more  
11 of a comment, actually -- and as the Lead  
12 Commissioner on Transportation, I'm particularly  
13 interested in the results of the networked  
14 electric vehicles, and I think you mentioned it  
15 will take about 12 months, so I will be staying  
16 tune to see what you find out. Thank you.

17 COMMISSIONER HOCHSCHILD: Just on that, I  
18 mean, how will we define success for that  
19 project? If you're able to answer that.

20 MR. FUNG: I would refer that one to  
21 Therese Pfeffer from CIEE.

22 COMMISSIONER HOCHSCHILD: Are they on the  
23 line? No? Okay.

24 MS. PFEFFER: Can you hear me?

25 CHAIRMAN WEISENMILLER: Yeah, good.

1 Please.

2 MS. PFEFFER: I'm sorry, I was just  
3 getting online. Can you repeat the question?

4 COMMISSIONER HOCHSCHILD: This is David  
5 Hochschild on the Commission. I just was very  
6 interested in your project here with electric  
7 vehicles and enabling a smart grid. And I was  
8 curious how you define success for that?

9 MS. PFEFFER: Sure. I'm just looking  
10 through the proposal now. There's a couple of  
11 issues here, one is looking at the algorithms for  
12 charging and distributed control, and so I think  
13 what they're looking at is the ability to look at  
14 a closed-loop system, to look at the integration  
15 of networked electric vehicles, photovoltaics at  
16 a test bed, they use a test bed, and looking at  
17 the ability to be able to see these algorithms in  
18 action. So we are looking at a successful  
19 closed-loop control system with the EVs and these  
20 algorithms.

21 COMMISSIONER HOCHSCHILD: Okay, thanks.

22 MS. PFEFFER: Sure.

23 COMMISSIONER SCOTT: I'll move this item.

24 COMMISSIONER HOCHSCHILD: Second.

25 CHAIRMAN WEISENMILLER: All those in

1 favor?

2 (Ayes.) This item is approved  
3 unanimously. Thank you.

4 Let's go on to Item 9, Regency of the  
5 University of California Davis. This is  
6 \$300,000. This is dealing with pipeline leaks.  
7 And Simone Brant, please.

8 MS. BRANT: Early detection of natural  
9 gas leaks from transmission lines is critical in  
10 order to minimize associated impacts on the  
11 environment, consumers, and public safety.  
12 However, detection of these leaks is challenging.  
13 Walking the line is slow and expensive and many  
14 areas are not accessible while helicopters are  
15 expensive and only work if directly above the  
16 line. Therefore, fixed wing aircraft which are  
17 already used for visual inspection of pipelines  
18 are the best option for an accurate readily  
19 commercialized platform for leak detection.

20 The Pipeline Research Council funded  
21 initial development of such a platform with  
22 University of California at Davis, however,  
23 further refinements are needed. This \$300,000  
24 agreement with U.C. Davis will support  
25 improvement of the algorithm used to anticipate

1 dispersion of the methane plume in order to  
2 optimize the flight path of the airplane and will  
3 enable differentiation between natural gas and  
4 other sources of methane emissions. Thanks.

5 CHAIRMAN WEISENMILLER: Thank you.  
6 Commissioners, any questions or comments?

7 COMMISSIONER MCALLISTER: I will just  
8 point out that natural gas safety is obviously of  
9 utmost importance to the state and, you know, I  
10 personally am happy that the Commission can  
11 support this kind of research, it really has very  
12 potentially practical implications and obviously  
13 is a fuel that is core to our state energy policy  
14 and fulfilling our long term goals, and so I'm  
15 really supportive of shoring up the safety aspect  
16 of that and really doing innovative work on that  
17 front.

18 COMMISSIONER HOCHSCHILD: I would just  
19 agree and I'd point out first the safety issue,  
20 but also a climate change issue. We get 25 times  
21 more greenhouse gas effect from methane than from  
22 CO<sub>2</sub>. Do we have a number that we're comfortable  
23 with for what the annual methane leaks as a  
24 result of our pipelines are? What's the --

25 CHAIRMAN WEISENMILLER: Well, that's one

1 of the issues that may well come up in this IEPR.  
2 You know, we have done research on this.  
3 Certainly EDF has done a lot of research  
4 nationally on it and, interestingly enough, for  
5 those with San Francisco connection, one of our  
6 big problems in the state is the cast iron pipes  
7 in San Francisco, which I've heard President  
8 Peevey discuss how all of us would like to see  
9 the City and County move with PG&E expeditiously  
10 to replace those pipes and reduce the leaks in  
11 the state, both for, as you said, climate reasons  
12 and then also safety. You know, certainly coming  
13 out of the weekend after San Bruno, I remember  
14 President Peevey and I talking about anything we  
15 could do to work with them to deal with the  
16 safety issues, we will do. So this is big.  
17 Also, I would indicate I guess PG&E has some  
18 other experimental technology on this, which at  
19 least I'm hoping to get a demonstration of, which  
20 again is a very sensitive way of identifying leak  
21 detection. But the bottom line is that one of  
22 the most important things we could do in the  
23 State is get the cast iron pipes out of San  
24 Francisco, which I'm sure is a logistical  
25 nightmare as you can well imagine, but it's huge

1 for safety and climate.

2 COMMISSIONER DOUGLAS: So I'll move  
3 approval of this item.

4 COMMISSIONER MCALLISTER: Second.

5 CHAIRMAN WEISENMILLER: All those in  
6 favor?

7 (Ayes.) Thank you.

8 Let's go on to Item 10. California Air  
9 Resources Board. Possible adoption of a  
10 resolution. And this is \$400,000, PIER Natural  
11 Gas funding again. Marla Mueller.

12 MS. MUELLER: Good morning. Staff is  
13 requesting approval for this agreement for  
14 \$400,000 with the Air Resources Board to identify  
15 constituents of concern that are found in  
16 California biogas that could be put into the  
17 California Natural Gas Pipeline. ARB will also  
18 provide \$400,000. ARB will work with the Energy  
19 Commission to identify a contractor to conduct  
20 this research through either a solicitation or an  
21 interagency agreement.

22 Renewable resources such as biogas are  
23 essential for reducing greenhouse gas emissions  
24 and reaching State energy goals. Under  
25 California Assembly Bill AB 1900, the ARB and the

1 Office of Environmental Health Hazards Assessment  
2 staff were tasked with the evaluation and  
3 identification of the constituents of concern in  
4 biogas and biomethane and supported developing  
5 pipeline quality renewable natural gas reduction  
6 in California. The California Public Utility  
7 Commission is required to use this information to  
8 set or revise standards for biomethane that  
9 specify the concentrations of constituents of  
10 concern that are reasonably necessary to protect  
11 public health and assure pipeline integrity and  
12 safety.

13 In the findings submitted to the CPUC on  
14 March 15, 2013, staff utilized existing sources  
15 of data and concentrated on the large sources of  
16 biogas, biomethane production, the landfills,  
17 dairies, and sewage treatment plants.

18 This agreement focuses on adding to the  
19 limited existing data on the constituents, both  
20 major and trace components found in natural gas,  
21 biogas, and biomethane, and evaluating other  
22 likely sources of renewable natural gas such as  
23 the anaerobic digestion of food waste.

24 Work under this agreement will include  
25 the analysis and quantification of gas

1 constituents in up to 22 gas streams from  
2 California utility pipelines, biogas and  
3 biomethane produced from sewage treatment plants,  
4 dairies and landfills, and biogas and biomethane  
5 produced from other sources such as food waste,  
6 woody biomass, crop residues, or energy crops.  
7 This data will be used to further evaluate  
8 constituents in biomethane that may pose health  
9 risks in determining health protective limits.

10           The project will include an advisory  
11 committee with members from regulatory agencies  
12 such as ARB, OEHHA, CalRecycle, CPUC, and the  
13 Energy Commission, and gas utilities in industry  
14 representative groups. The research will benefit  
15 by building on the foundation for allowing biogas  
16 to be put into the pipeline in an environmentally  
17 safe manner. Data developed in the project will  
18 be used to further evaluate constituents in  
19 biogas and biomethane that may be introduced into  
20 the natural gas pipeline and determine health  
21 protective levels for those constituents. CPUC  
22 will use the results from this analysis to update  
23 standards for biomethane that specify the  
24 concentrations of constituents of concern that  
25 are reasonably necessary to protect public health

1 and ensure pipeline integrity and safety.

2           Increasing the state's bioenergy  
3 production will help California achieve the  
4 state's waste reduction, renewable energy, and  
5 climate change goals with a sustainable and  
6 dependable resource. It is expected that  
7 additional funding will be required in a phase 2  
8 project in order to analyze additional biogas  
9 sources that were not available, or there were  
10 insufficient funds to cover in phase 1.

11           And Bonnie Soriano from the Air Resources  
12 Board is here to help answer any questions you  
13 may have. Thank you.

14           CHAIRMAN WEISENMILLER: Great. I've got  
15 a couple questions, so it may be good if she  
16 joined you at the table. Thank you. So  
17 obviously there's been some questioning by some  
18 of the legislative staff, so I just want to get  
19 your responses in the record to these two  
20 questions: one is there has been the observation  
21 that AB 1900 indicates the ARB should have done  
22 this analysis last year. Do you have a response  
23 on that? Sure.

24           MS. SORIANO: Good morning - or I guess  
25 it's good afternoon now, Commissioners. I'm

1 Bonnie Soriano with the Air Resources staff. AB  
2 1900 required the ARB and OEHHA to put out a  
3 report last year providing recommendations. AB  
4 1900 also has mandated updates every five years.  
5 And so in preparation for that update, we are  
6 looking at additional research to inform us on  
7 those updates. So I think that, you know, while  
8 we did do that report and it was provided to the  
9 CPUC last year, we also are mandated to do  
10 updates every five years, or earlier as  
11 information becomes available.

12 CHAIRMAN WEISENMILLER: Great. The other  
13 question that was asked was why the CEC is  
14 funding this, given that we have no  
15 responsibility for this constituent  
16 identification.

17 MS. MUELLER: We feel that this does fall  
18 within our area because it's addressing climate  
19 change issues and it's addressing biogas and  
20 biomethane that we are interested in using for  
21 our energy sources.

22 CHAIRMAN WEISENMILLER: Were there any  
23 specific provisions in AB 1900 that involved the  
24 Energy Commission?

25 MS. MUELLER: Thank you. AB 1900 also

1 required the Energy Commission to hold a hearing,  
2 but also to look at the interconnection issue  
3 with the biogas. And we feel that, to be able to  
4 interconnect with the biogas, we have to know  
5 that the biogas that we're providing is not going  
6 to result in any health impacts from the use of  
7 it. So we feel from an interconnection point of  
8 view and safety point of view, we need to  
9 understand the biogas, what's in the biogas  
10 better. And so that addresses the  
11 interconnection issue that was in AB 1900 that  
12 the Energy Commission is supposed to address.

13 CHAIRMAN WEISENMILLER: And has this been  
14 addressed in the IEPR?

15 MS. MUELLER: Yes, this was. The IEPR  
16 actually -- the hearing did happen on this, on  
17 the biogas, and the IEPR did recommend that the  
18 Energy Commission look at the constituents of  
19 concern and continue on with this particular  
20 research.

21 CHAIRMAN WEISENMILLER: Okay, and just  
22 for clarification, you're referring to the 2013  
23 IEPR?

24 MS. MUELLER: Yes, it was the 2013 IEPR.

25 CHAIRMAN WEISENMILLER: Okay, thank you.

1 Commissioners, any other questions or comments?

2 COMMISSIONER MCALLISTER: I would just  
3 point out that we have a really close  
4 relationship with the ARB and are working  
5 together on a number of fronts, and all of them  
6 really quite critical to getting to where we need  
7 to be for the long term, and for the scoping  
8 report itself and the update helping sort of  
9 define some of the, you know, input our expertise  
10 into that process with the ARB as managing, but  
11 also any number of topical matters. So I  
12 appreciate your being here and I think this is an  
13 area where clearly there's state benefit from  
14 cooperation on the topic itself. So thanks to  
15 staff and to the ARB staff. All right, so I'll  
16 move Item 10.

17 COMMISSIONER DOUGLAS: Second.

18 CHAIRMAN WEISENMILLER: All those in  
19 favor?

20 (Ayes.) Item 10 is approved unanimously.  
21 Thank you. Thanks for being here.

22 Let's go back to Item 5, which is the  
23 Complaint against Bottle Rock Geothermal Power  
24 Plant.

25 MR. KRAMER: This is Paul Kramer again.

1 You have before you a Proposed Order that I  
2 modified per your instructions coming out of the  
3 closed session for consideration for adoption.

4 MR. LEVY: Pardon me, Commissioners. The  
5 Applicant doesn't seem to be in the room.

6 MR. KRAMER: Ms. Castaños' paralegal is  
7 here.

8 MR. LEVY: Okay, very good.

9 MS. HELLWIG: I apologize, we had  
10 conflicting schedules.

11 MR. KRAMER: Give them your name?

12 MS. HELLWIG: My name is Kimberly  
13 Hellwig. I'm an Energy and Policy Analyst for  
14 Stoel Rives on behalf of Bottle Rock.

15 MR. KRAMER: So to summarize for those  
16 who might be on the telephone and don't have a  
17 copy of this, it provides for a penalty of \$2,500  
18 and I won't read paragraph 6, but it's modified  
19 to address the various factors that are in the  
20 Public Resources Code regarding that you should  
21 be considering regarding the amount of a penalty.

22 MR. LEVY: Mr. Kramer, I think you should  
23 read it so the folks on the phone can hear what  
24 the proposed findings are.

25 MR. KRAMER: Oh, okay. Then the Order is

1 not modified from the draft that was posted  
2 beyond the correction of a typo earlier and then  
3 the paragraph says: "After consideration of the  
4 record, arguments and public comment, and  
5 assessing the factors set forth in Public  
6 Resources Code Section 25534.1(E), for  
7 determining the amount of an administrative  
8 penalty we find that a penalty of \$2,500 is  
9 appropriate for the violation of the condition  
10 requiring a Closure Bond. The Bond requirement  
11 was not as clearly stated as it could have been  
12 stated. While the potential for harm existed had  
13 the facility closed during the time when no Bond  
14 was in place, no actual harm to the environment  
15 occurred. Bottle Rock complied with the  
16 committee Decision by filing to amend the  
17 condition and then provided a new Bond in the  
18 amount required by the revised condition." And  
19 that's the essence of the changes.

20 CHAIRMAN WEISENMILLER: Thank you.

21 COMMISSIONER MCALLISTER: I don't know  
22 how much we need to micromanage, but there's two  
23 determining's in the third line there on number  
24 6, determining the amount, so eliminate the  
25 second --

1           MR. KRAMER: Oh, thank you. I'll correct  
2 that in the final version.

3           COMMISSIONER MCALLISTER: And then I  
4 would say on the next sentence, "The Bond  
5 requirement was not so clearly stated as it could  
6 have been stated," just grammatically correct.  
7 And, yeah, great, it looks good. Thanks, Mr.  
8 Kramer.

9           COMMISSIONER DOUGLAS: So with that, I  
10 will move that we adopt this Order.

11          COMMISSIONER HOCHSCHILD: Second.

12          CHAIRMAN WEISENMILLER: All those in  
13 favor?

14          (Ayes.) This Order is passed  
15 unanimously. Thank you. Thank you, Paul.

16          Let's go on to Item 11. Minutes. Let's  
17 look at A, possible approval of the January 15th.

18          COMMISSIONER SCOTT: I'll move approval.

19          COMMISSIONER HOCHSCHILD: Second.

20          CHAIRMAN WEISENMILLER: All those in  
21 favor?

22          (Ayes.) This item passes unanimously.  
23 Let's go on to B, possible approval of January  
24 17th, Offsite Meeting Minutes.

25          COMMISSIONER DOUGLAS: Move approval.

1 COMMISSIONER MCALLISTER: I'll second.

2 CHAIRMAN WEISENMILLER: All those in  
3 favor?

4 (Ayes.) This item is also approved.

5 It would be good if we could give the  
6 paralegal a copy of the resolution, Alana, if you  
7 could. I was hoping we caught her, okay.

8 Let's go on to Item 12, Lead Commissioner  
9 or Presiding Member Reports. Commissioner Scott.

10 COMMISSIONER SCOTT: I just have a couple  
11 of things I'd like to report to you all. Earlier  
12 in January, I went to the Third Annual California  
13 Biodiesel and Renewable Diesel Conference. I was  
14 accompanied by Tim Olson. Tim talked a little  
15 bit about some of the findings and the  
16 transportation related findings in the 2013 IEPR.  
17 And I talked about the investments that the  
18 Energy Commission is making through the  
19 Alternative and Renewable Fuel and Vehicle  
20 Technology Program into biodiesel and renewable  
21 diesel, and we did that on Monday, January 20th,  
22 so that was just a great conference to go and get  
23 an opportunity to meet some of the folks who are  
24 working on bringing more biodiesel and renewable  
25 diesel to California.

1           Last week, we had the Advisory Board  
2 Meeting for the Alternative and Renewable Fuel  
3 and Vehicle Technology Program. We did this one  
4 down South, which was terrific, it was an  
5 opportunity for us to engage with a different set  
6 of stakeholders who might not always be able to  
7 come up to Sacramento, but are very much  
8 interested in transportation. And it was great.  
9 We had, I would say, probably eight or nine  
10 members around the table, everyone else was on  
11 the phone, but we had a lot of participation from  
12 the auto manufacturers, from folks like U.S.  
13 Hybrid, and an opportunity to interact with the  
14 U.C. Irvine. And U.C. Irvine has got a Fuel Cell  
15 Center there which we got just a very brief  
16 snapshot, a summary of what's going on there, and  
17 I hope to get back at some point and tour and  
18 really see what they're doing. But it was just a  
19 nice opportunity to work with a different set of  
20 folks, or a different set of the stakeholders who  
21 are usually engaged with us.

22           The other cool thing at this meeting was  
23 Boulder Electric Vehicles brought one of their  
24 trucks for us to see, this was a project that the  
25 Energy Commission funded. It's a medium truck

1 and it has a cargo capacity of about 5,000  
2 pounds, and it's a battery electric vehicle and  
3 it can go over 100 miles. And so it was a great  
4 opportunity to get to see that, drive it around  
5 campus a little bit, and kind of kick the tires  
6 on something that the Energy Commission has  
7 helped to fund.

8           And then lastly, we also went to see the  
9 Ivanpah Solar facility come on line last week, so  
10 they energized it, which was terrific, it was  
11 really a neat thing to get to see. They had two  
12 of the towers were on when we got there, so the  
13 mirrors were focused on them and you could see  
14 the glow as the sun was being directed up at the  
15 boilers. Fantastic, they have more than 173,000  
16 of the heliostats there surrounding the three  
17 towers, and it provides almost 400 megawatts of  
18 power. They had 2,500 people at work at sort of  
19 the peak of construction. It was just a really  
20 great thing to see, I thought. They gave us the  
21 opportunity to climb up into one of the towers,  
22 and so you'd have this neat view from really  
23 inside all of the machinery to see how it all  
24 worked, and so I just really enjoyed the  
25 opportunity to get to see one of the projects

1 that we worked on being energized.

2 COMMISSIONER HOCHSCHILD: And I'll just  
3 point out that that is one of the many clean  
4 energy projects that Commissioner Scott, when she  
5 was with the Secretary of Interior, was  
6 responsible for getting through the Federal  
7 permitting process. So it wouldn't have happened  
8 without you.

9 COMMISSIONER SCOTT: Happy day.

10 CHAIRMAN WEISENMILLER: No, obviously a  
11 lot of people in this agency were very involved  
12 in that and, you know, I think certainly being  
13 able to represent them there was I think sort of  
14 a very inspiring moment for all of us. I think  
15 David Crane in his invitation referred back to  
16 this, basically recreating Archimedes, or a James  
17 Bond movie of some sort, you know, in terms of  
18 the technology. But it was good to see something  
19 that goes from the binders and binders that we  
20 slaved over to actually operating.

21 COMMISSIONER MCALLISTER: So a very  
22 literate bunch, I guess.

23 CHAIRMAN WEISENMILLER: Oh, yeah.

24 COMMISSIONER MCALLISTER: Thanks, that's  
25 interesting. I feel like the odd man out here

1 because everybody else had some connection with  
2 Ivanpah and I was not twiddling my thumbs, but I  
3 wasn't there and able to take it all in. But it  
4 sounds like it was really interesting and, yeah,  
5 futuristic, but also really fundamental to what  
6 we're trying to do in California, so a really  
7 interesting project.

8 Well, I want to take one opportunity,  
9 actually I had wanted to comment on Item 8, and I  
10 didn't do it in the moment, so Commissioner Scott  
11 commented on the first of the three things funded  
12 through that PIER grant on Smart Grid, but the  
13 other two items are also very interesting and I  
14 wanted to just point them out since they're  
15 relevant on the reliability side, and also on the  
16 energy efficiency side. And the second one, the  
17 first one, of course, on vehicles, vehicle to  
18 grid, and making that work which is really  
19 exciting. The second one was in the Smart Home  
20 research area -- I'm sorry Laurie ten Hope  
21 stepped out already, she probably wasn't  
22 expecting me to really comment this late in the  
23 game, but her group is really pushing some of the  
24 behavioral aspects and also Smart Meter research.  
25 And the ability of that scale, having inverters

1 be able to provide power quality services, in  
2 this case power factor correction, is really  
3 interesting and is something that that kind of  
4 initiative as part of overall demand response and  
5 grid reliability management is key to where we're  
6 trying to go. So efficient use of resources to  
7 enable to squeeze more out of the grid than we  
8 have, and so potentially avoiding investments,  
9 but also channeling investments towards the  
10 things that really enhance reliability. So  
11 that's the kind of project that we want to be  
12 supporting.

13 And the second one at San Diego State,  
14 which I know they do a lot of good work down  
15 there, is looking at pricing to get the kind of  
16 behavior or as a demand modification strategy,  
17 and so looking at electricity pricing. And  
18 that's an issue that is fraught in some ways, but  
19 I wanted to just bring it up as something that we  
20 need to work through. We have, I think, a  
21 history of trying to do some things in pricing,  
22 but also a lot of stakeholders, and it's a pretty  
23 sensitive issue, and stakeholders get pretty  
24 passionate about it because it really impacts  
25 individuals and businesses' bottom lines on their

1 electric bills, but understanding how economic  
2 signals are actually translating into action and  
3 demand change is key, really key. We talk a lot  
4 about hardware and sort of building it into the  
5 infrastructure in that way, but also we have end  
6 users all over the state who respond to prices,  
7 and we need to understand how that happens, as  
8 well. And I think that third project, enabling  
9 real-time residential pricing with customer  
10 feedback, is a really interesting step forward in  
11 that direction. So in any case, I wanted to  
12 voice my excitement about those projects.

13 And partly that's just because I really haven't  
14 done any traveling in the last month, and so  
15 otherwise it was going to be very boring, my  
16 comments.

17 I just wanted to highlight some good  
18 stuff that's going on in my wheelhouse -- Prop.  
19 39, we're just plowing through and meeting  
20 deadlines and getting that stuff out. Staff, in  
21 fact, is going to be doing a lot of traveling  
22 around the state to get the word out on that,  
23 meeting with school districts and regionally  
24 there's a whole slew of in person trainings with  
25 the school community all over the state coming up

1 in the next month starting this week. Actually,  
2 it might have started last week, but in any case,  
3 it really ramps up now and that's I think really  
4 essential for us to build the partnerships and  
5 keep those relationships with the school  
6 districts, developing them and keeping them going  
7 and strong because this is a five-year program  
8 and it's going to keep going, they're going to  
9 keep getting money, and we really want them to  
10 have good investment plans in place, and CS is a  
11 partner in making good projects happen.

12           And other than that, really just as we  
13 hear at every business meeting, the Building  
14 Standards, getting that done for 2013 Standards,  
15 rather, and getting those implemented and ready  
16 to go by mid-year, and trying at the same time in  
17 parallel to ramp up activity related to  
18 developing the 2016 round of Building Efficiency  
19 Standards, a lot of heavy lifts in the building  
20 staff. We're also making some good headway in  
21 the Appliances discussions and then also kind of,  
22 in a way, stepping back and looking at the  
23 existing buildings for AB 758, which we've really  
24 been getting back to in earnest, and stepping  
25 back trying to take a long perspective and get

1 the right things in place to implement that  
2 legislation, which is, I think, a big deal for  
3 the Commission and potentially for the state, and  
4 we want to get it right. So I've kind of been in  
5 an internal mode having a lot of discussions that  
6 are hopefully plowing the ground for some very  
7 fertile development going forward on policies  
8 that do have long term implications for the  
9 state. So that's kind of where my office has  
10 been lately.

11 CHAIRMAN WEISENMILLER: Thank you. I  
12 mean, I think in all of our careers here, we have  
13 arcs of time when we're just here and times when  
14 we're on the road, and so I remember my first  
15 year, as Commissioner Douglas indicated, I think  
16 I turned down everything but siting case visits  
17 to get those done.

18 So having said that, I actually have hit  
19 other technologically inspiring spots recently.  
20 So I was at Google meeting with a Silicon Valley  
21 group a couple weeks ago, that was pretty good,  
22 with Laurie ten Hope. As most of you know, over  
23 half the state is south of the Tehachapi's, so  
24 spent a lot of time in Southern California  
25 starting out with Verde Exchange, which is a very

1 good networking event in Southern California.  
2 Also visited Caltech, the Resnick Institute, and  
3 JCAP. And EPSA had its annual meeting in  
4 Southern California, so myself, President Peevey,  
5 and Mary Nichols did a panel discussion with them  
6 about California. Went to U.C. Irvine, hit the  
7 Fuel Cell entity, the Combustion Technology Labs,  
8 and also the Plug-In Labs. So a pretty extensive  
9 trip there. I mentioned Ivanpah, and I've also  
10 visited the Navy Admirals down in San Diego to  
11 greet Admiral Secretary McGinn when he was in  
12 town. So certainly have put in a lot of miles  
13 lately, so hoping to spend more time here,  
14 although it's not going to happen this week or  
15 next. So, anyway.

16 COMMISSIONER DOUGLAS: Well, I'll just  
17 say that I've been on internal mode with  
18 Commissioner McAllister, I think. I was hoping  
19 to go to the event at Ivanpah, but I had a number  
20 of internal deadlines including on the Desert  
21 Renewable Energy Conservation Plan that prevented  
22 me from being able to do that. So I think that,  
23 as the month goes on, and as we go into spring,  
24 I'm hoping to be shifting into more external mode  
25 on more issues, but it's been a good start to the

1 year in any case.

2 COMMISSIONER HOCHSCHILD: So first I'd  
3 like to actually introduce my new advisor, Emilio  
4 Camacho, we're really happy -- it's kind of like  
5 Survivor, if you stay here long enough, you're  
6 like the last person standing in the room, but  
7 glad some people are still -- I'm really really  
8 happy to have Emilio.

9 COMMISSIONER MCALLISTER: Dancing with  
10 the Stars.

11 COMMISSIONER HOCHSCHILD: Exactly. You  
12 know, just to boast for a minute about him, I had  
13 I think 15 or 16 applicants, he was by far at the  
14 top of the list, came to this country at age 16,  
15 didn't speak a word of English, first in his  
16 family to get through high school, then college  
17 and law school, he's been an attorney with a few  
18 different jobs, but most recently with Leg.  
19 Counsel, and is really passionate about energy,  
20 and is going to be a terrific addition to our  
21 team here at CEC. So I would ask all your help  
22 and indulgence to get him up to speed.

23 I've been traveling also a ton, most  
24 recently spoke at a couple of conferences, a very  
25 interesting discussion at EPRI, actually their

1 number one issue has been integrating renewables  
2 and how to do that. And they had a very funny  
3 panel where they had solar executives,  
4 regulators, and utility CEOs get up there and  
5 have a discussion, and everybody switch hats and  
6 argue the opposite point of view, so seeing  
7 utility executives, you know, are doing that net  
8 metering is a crime against humanity and so forth  
9 and so on, always very entertaining. So there  
10 was some very fruitful dialogue and had an  
11 excellent discussion.

12 I also have just one more point about  
13 Ivanpah, which was truly extraordinary, it's  
14 actually the second brightest thing visible after  
15 the sun on earth watching these three towers  
16 actually get fired up and, you know, it was an  
17 incredible day to be a part of that.

18 And then finally, this afternoon for  
19 those of you who are able at 3:00, our guest  
20 speaker is going to be Cisco DeVries, who I know  
21 Commissioner McAllister has worked with quite a  
22 bit in the past, who is the creator of the PACE  
23 Program, and it's a very exciting moment for PACE  
24 because I believe in the next week the Regs get  
25 finalized with this new loan locks reserve

1 program where we can really see that take off and  
2 I think have a chance to really advance more  
3 retrofits for energy efficiency, etc.

4           Next week, I'm going to Lancaster,  
5 there's a big groundbreaking there for a new  
6 Solar Homes community, and Lancaster is actually,  
7 if you recall a month ago they came in to ask for  
8 our approval for their mandating solar. Actually  
9 the next thing they're going to do is mandate  
10 LEDs, and the Mayor is very excited about that.  
11 So I'll be able to report more when I'm back from  
12 that.

13           CHAIRMAN WEISENMILLER: Great. Chief  
14 Counsel's Report.

15           MR. LEVY: I was going to introduce you  
16 to volunteer interns, but they seem to have  
17 slipped out to lunch or something, so I'll save  
18 it for the next business meeting.

19           CHAIRMAN WEISENMILLER: Okay, good.  
20 Executive Director's Report.

21           MR. OGLESBY: Just a quick comment for  
22 the benefit of the Commission and the public, is  
23 that we have four business meetings left for the  
24 rest of the Fiscal Year, and as we get closer to  
25 June, the agendas will grow accordingly because a

1 lot of our projects are driven by cycles, and  
2 need to be acted on before the end of the year.  
3 And in connection with that, the April business  
4 meeting is likely to shift from the 9th to either  
5 the 22nd or 24th, but I wanted to let folks know  
6 that that business meeting is likely to shift in  
7 order to accommodate some of the workload flows  
8 that we need to make things go smooth.

9 CHAIRMAN WEISENMILLER: No, that's very  
10 good. Thanks to you and also particularly to  
11 Drew, to keep an eye on the calendar and try to  
12 move the projects before us in a timely fashion.

13 Public Advisor's Report.

14 MS. MATHEWS: Good afternoon. I just  
15 want to say welcome to Emilio. I know him  
16 professionally through La Raza Lawyers, which we  
17 have both been involved with, their Board and  
18 their activities.

19 The Public Advisors, we're happy; we've  
20 offered our assistance throughout the whole  
21 Commission, so we've been taken up on that and we  
22 are working with the EPIC funding program to do  
23 more outreach, most recently we'll start with  
24 helping Prop. 39 doing a little bit more outreach  
25 and, of course, assisting our public member. And

1 we never got to say congratulations on the  
2 record, so congratulations to you. And that's  
3 all I have. Thank you.

4 CHAIRMAN WEISENMILLER: Thank you. And  
5 thanks for your help as we go forward on  
6 implementing --

7 MS. MATHEWS: One clarification. Chair,  
8 you had asked me to get a copy of the Order for  
9 the paralegal. Did you mean the Court Reporter?

10 CHAIRMAN WEISENMILLER: No, actually  
11 there had been a Paralegal here from Stoel Rives  
12 who left.

13 MR. LEVY: It was on Bottle Rock.

14 CHAIRMAN WEISENMILLER: So I was assuming  
15 if she had taken that back to her office, that  
16 would have made --

17 MS. MATHEWS: It was not completed, but  
18 they will get a copy.

19 CHAIRMAN WEISENMILLER: All right, thank  
20 you. She did? That's good, that's great.  
21 That's all I was looking for was I assumed that  
22 she was here to pick up a copy.

23 Public comment. I believe Mr. Fernstrom  
24 has a public comment.

25 MR. FERNSTROM: Some last but brief

1 comments. I'm Gary Fernstrom representing the  
2 California Investor Owned Utilities.  
3 Commissioner McAllister alluded to the fact that  
4 you have an Appliance Standards Regulation Update  
5 proceeding underway. We just would like to  
6 mention that the California IOUs have invested a  
7 lot of our customers' money in a number of energy  
8 efficiency recommended measures. The staff is  
9 now considering in their scope which ones of the  
10 proposals we put forward they'll be able to  
11 consider. And we would encourage you to make  
12 every effort to consider them all, such that the  
13 investment we've made in these analyses and  
14 proposals doesn't get left on the table. Thank  
15 you.

16 CHAIRMAN WEISENMILLER: Thank you.  
17 Obviously, it's a Commission decision, not staff,  
18 but we will certainly listen to their  
19 recommendations, as yours.

20 MR. FERNSTROM: That's why we took the  
21 opportunity to address you all. Thank you.

22 CHAIRMAN WEISENMILLER: Thank you. I  
23 don't have a blue card for you, again, but go  
24 ahead.

25 MR. MORENO: Yeah, sorry. Thank you

1 again for the opportunity to speak. I'm Eddie  
2 Moreno with Sierra Club California. I'd just  
3 like to go on the record and say that the club  
4 would also ask the CEC to move forward rapidly  
5 with identifying and targeting additional air  
6 filtration water appliances and consumer  
7 electronics for regulation under Title 20. These  
8 efforts not only provide a clear savings for  
9 consumers, but the energy saving opportunities  
10 overlap with the ramping of natural gas-fired  
11 power plants during peak demand hours.  
12 Maximizing energy efficiency savings means  
13 reducing demand for natural gas and therefore  
14 reducing greenhouse gas and noxious emissions  
15 generated from burning those fossil fuels.  
16 Appliance efficiency improves air quality,  
17 especially in disadvantaged communities where  
18 many of the current and proposed natural gas-  
19 fired plants are located and contributes to the  
20 state's efforts to meet greenhouse gas emission  
21 goals. Sierra Club California sees incredible  
22 potential in the Appliance Efficiency Program and  
23 will continue to support the CEC in this area.  
24 Thank you for your time.

25 CHAIRMAN WEISENMILLER: Yeah, thanks for

1 being here. Thanks for the support. As you can  
2 tell, as we go forward we often hear from the  
3 Appliance Manufacturers about -- who are perhaps  
4 overly zealous, so getting some public support  
5 always helps. So thank you.

6 MR. MORENO: I have one more thing. I'd  
7 just like to thank you for -- I hear that you're  
8 prioritizing AB 758, that's good news for us, so  
9 we look forward to working with you guys on that.  
10 So, thanks.

11 CHAIRMAN WEISENMILLER: Thank you. No,  
12 758 is a huge issue for all of us, so certainly  
13 look forward to your support there, too. So this  
14 meeting is adjourned. Thank you.

15 (Whereupon, at 12:43 p.m., the Business Meeting  
16 was adjourned.)

17

18

19

20

21

22

23

24

25

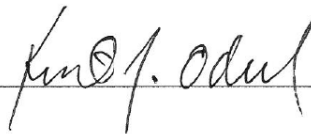


**REPORTER'S CERTIFICATE**

I do hereby certify that the testimony in the foregoing hearing was taken at the time and place therein stated; that the testimony of said witnesses were reported by me, a certified electronic court reporter and a disinterested person, and was under my supervision thereafter transcribed into typewriting.

And I further certify that I am not of counsel or attorney for either or any of the parties to said hearing nor in any way interested in the outcome of the cause named in said caption.

IN WITNESS WHEREOF, I have hereunto set my hand this 10th day of March 2014.

A handwritten signature in cursive script, appearing to read "Kent Odell", is written over a horizontal line.

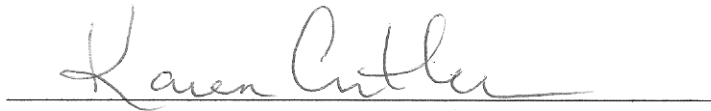
Kent Odell  
CER\*\*00548

**TRANSCRIBER'S CERTIFICATE**

I do hereby certify that the testimony in the foregoing hearing was taken at the time and place therein stated; that the testimony of said witnesses were transcribed by me, a certified transcriber and a disinterested person, and was under my supervision thereafter transcribed into typewriting.

And I further certify that I am not of counsel or attorney for either or any of the parties to said hearing nor in any way interested in the outcome of the cause named in said caption.

IN WITNESS WHEREOF, I have hereunto set my hand this 10th day of March, 2014.

A handwritten signature in cursive script, reading "Karen Cutler", is written over a horizontal line.

Karen Cutler  
Certified Transcriber  
AAERT No. CET\*\*D-723